



सत्यमेव जयते

**Government of West Bengal**

**Audit Report**  
**1970**

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## PREFATORY REMARKS

This volume mainly relates to matters arising from the Appropriation Accounts for 1968-69 together with other points arising from audit of the financial transactions of the Government of West Bengal. It also includes :

- (i) certain points of interest arising from the Finance Accounts for the year 1968-69 ; and
- (ii) matters relating to certain statutory bodies the accounts of which are audited by the Indian Audit and Accounts Department.

The financial irregularities, losses, etc., commented upon in the Report relate to cases which came to the notice of Audit during the year 1968-69 as well as those which had come to notice in earlier years but could not be dealt with in previous Audit Reports ; matters relating to the period subsequent to 1968-69 have also been included wherever considered necessary.

The points brought out in this Report are those which have come to notice during the course of test audit of the accounts of the Departments. They are not intended to convey or to be understood as conveying any general reflection on the financial administration by the Departments/Authorities concerned.



## CHAPTER I

### General

*Budget and actuals*: The budget estimates and actuals of revenue receipts and expenditure met from revenue during 1968-69 are given below along with the corresponding amounts for the preceding two years:—

#### *Revenue receipts*

| Year                         | Budget  | Actuals | Variations |            |
|------------------------------|---------|---------|------------|------------|
|                              |         |         | Amount     | Percentage |
| <i>(In crores of rupees)</i> |         |         |            |            |
| 1966-67 ..                   | 1,80.98 | 1,85.33 | + 4.35     | + 2.4      |
| 1967-68 ..                   | 2,06.34 | 1,98.99 | - 7.35     | - 3.5      |
| 1968-69 ..                   | 2,14.29 | 2,24.52 | + 10.23    | + 4.8      |

#### *Revenue surplus (+)/deficit (-)*

*(In crores of rupees)*

| Year       | Budget | Actuals |
|------------|--------|---------|
| 1966-67 .. | - 7.62 | - 3.34  |
| 1967-68 .. | - 2.33 | - 8.13  |
| 1968-69 .. | - 1.19 | - 21.03 |

#### *Expenditure met from revenue*

|            |         |         |         |        |
|------------|---------|---------|---------|--------|
| 1966-67 .. | 1,88.60 | 1,88.67 | + 0.07  | ..     |
| 1967-68 .. | 2,08.67 | 2,04.12 | - 4.55  | - 3.2  |
| 1968-69 .. | 2,15.48 | 2,45.55 | + 30.07 | + 14.0 |

During 1968-69 the revenue receipts were slightly more than the estimates but the expenditure on revenue account also exceeded the estimates by more than Rs. 30 crores with the result that the year ended with revenue deficit of Rs. 21.03 crores against nominal deficit of Rs. 1.19 crores envisaged in the budget.

The estimates of revenue receipts and expenditure shown above relate to the original budget estimates and do not take into account additional taxation levied and supplementary grants obtained during these years. If these are also taken into account the position of the estimates would be:—

| Year                         | Additional taxation | Supplementary grants | Total    |             |
|------------------------------|---------------------|----------------------|----------|-------------|
|                              |                     |                      | Receipts | Expenditure |
| <i>(In crores of rupees)</i> |                     |                      |          |             |
| 1966-67 ..                   | ..                  | ..                   | 1.50     | 13.97       |
| 1967-68 ..                   | ..                  | ..                   | 0.49     | 7.46        |
| 1968-69 ..                   | ..                  | ..                   | 0.55     | 42.68       |
|                              |                     |                      | 2,14.84  | 2,58.16     |

Taking into account the transactions outside the revenue account, the overall position was as given below:—

|  | 1966-67               | 1967-68 | 1968-69 |
|--|-----------------------|---------|---------|
|  | (In crores of rupees) |         |         |
| Opening cash balance .. .. .   | 15.07                 | 18.06   | 0.78    |
| <b>Part I—Consolidated Fund—(a) Transactions of Revenue Account—</b> |                       |         |         |
| (i) Revenue Receipts .. .. .   | 1,85.33               | 1,98.99 | 2,24.52 |
| (ii) Revenue Expenditure .. .. .                                     | 1,88.67               | 2,04.12 | 2,45.55 |
| (iii) Revenue deficit .. .. .  | -3.34                 | -5.13   | -21.03  |
| <b>(b) Transactions outside the revenue account—</b>                 |                       |         |         |
| (i) Capital expenditure (net) .. .. .                                | -8.68                 | -33.41  | -24.76  |
| (ii) Receipts from borrowing (net) .. .. .                           | +9.34                 | +28.55  | +48.40  |
| (iii) Loans and advances by State Government (net)                   | -10.03                | -13.78  | -11.78  |
| Part II—Contingency Fund (net) .. .. .                               | +0.19                 | -0.01   | -0.63   |
| Part III—Public Account (net) .. .. .                                | +15.51                | +6.50   | +19.11  |
| Closing Cash balance .. .. .   | 18.06                 | 0.78    | 10.09   |
| Overall surplus + /deficit— .. .. .                                  | +2.99                 | -17.28  | +9.31   |

2. *Revenue receipts:* (a) The revenue receipts in 1968-69 were more by Rs. 25.53 crores (13 per cent.) than in 1967-68 and by Rs. 39.19 crores (21 per cent.) than in 1966-67.

(b) The increase in revenue is analysed below—

|  | 1966-67 | 1967-68 | 1968-69 | Increase over 1966-67 |            |
|--|---------|---------|---------|-----------------------|------------|
|  |         |         |         | Amount                | Percentage |
| (In crores of rupees)  |         |         |         |                       |            |
| <b>Receipts from Central Government—</b>   |         |         |         |                       |            |
| (i) State's share of Central taxes   | 33.52   | 38.76   | 44.48   | 10.96                 | 32         |
| (ii) Grants-in-aid, contributions  | 18.63   | 20.27   | 21.09   | 2.46                  | 13         |
| <b>Revenue raised by State Government—</b>   |         |         |         |                       |            |
| (i) From State taxes and duties and other principal sources of revenue                 | 82.44   | 88.42   | 94.08   | 11.64                 | 14         |
| (ii) From Central taxes leviable for the purposes of and collected by State Government | 16.66   | 19.68   | 20.55   | 3.89                  | 23         |



**B**

|  | 1966-67        | 1967-68        | 1968-69        | Increase over 1966-67 |            |
|--|----------------|----------------|----------------|-----------------------|------------|
|  |                |                |                | Amount                | Percentage |
|  |                |                |                | (In crores of rupees) |            |
| (iii) From other receipts such as water rates, betterment levy, rents from buildings, etc. | 34.08          | 31.86          | 44.32          | 10.24                 | 30         |
| <b>Total</b>   | <b>1,85.33</b> | <b>1,98.09</b> | <b>2,24.52</b> | <b>39.19</b>          | <b>21</b>  |

Receipts from Central Government (Rs. 65.57 crores) were 29 per cent of the total revenues for 1968-69 (Rs. 2,24.52 crores).

(c) Further analysis of the increase in the revenue raised by the State in 1968-69 over the two preceding years is given below :—

|                         | 1966-67   | 1967-68        | 1968-69        | Increase over 1966-67 |              |
|-------------------------|-----------|----------------|----------------|-----------------------|--------------|
|                         |           |                |                | (In crores of rupees) |              |
| Land Revenue            | ..        | 6.00           | 8.28           | 7.47                  | 1.47         |
| Sales Tax               | ..        | 48.65          | 52.30          | 56.89                 | 8.24         |
| Other Taxes and Duties  | ..        | 15.40          | 16.21          | 19.48                 | 4.08         |
| Administrative Services | ..        | 1.68           | 1.63           | 4.55                  | 2.87         |
| Miscellaneous           | ..        | 5.38           | 6.55           | 18.79                 | 8.41         |
| Other heads             | ..        | 56.07          | 54.09          | 56.77                 | 0.70         |
| <b>Total</b>            | <b>..</b> | <b>1,33.18</b> | <b>1,39.96</b> | <b>1,58.95</b>        | <b>25.77</b> |

Growth of trading activities and larger receipts under Central Sales Tax Act accounted for the increase (Rs. 8.24 crores) under Sales Tax.

Increase of Rs. 4.08 crores under Other Taxes and Duties was mainly due to larger collections from consumption of electricity and under the Bengal Raw Jute Taxation Act.

Increase under Administrative Services (Rs. 2.87 crores) was mainly due to recovery of arrear dues on account of share of administrative charges from the Food Corporation of India.

Increase of Rs. 8.41 crores under "Miscellaneous" was mainly due to adjustment of larger receipts on account of remission of loans to displaced persons. (The amounts so remitted are adjusted as repayment of debts received from Government of India by credit to this head.)

**Taxation changes during the year:** Effective realisation under 'Show Tax,' introduced from 11th March 1968, started during the year. The estimated yield was Rs. 25 lakhs per annum; actual realisation in 1968-69 was Rs. 13.63 lakhs. In addition, rates of Agricultural Income-Tax and Public Works Cesses were enhanced during the year, yields from which were estimated at Rs. 20 lakhs and Rs. 10 lakhs respectively per annum.

3. **Arrears of revenue:** Information about arrears of revenue was not received from Commissioner of Excise, Commissioner of Commercial Taxes, Home (Transport) Department, Finance Department, Health

Department and Director of Agriculture, who are responsible for receipt of State excise duties, sales tax, taxes on vehicles, stamp receipts, other taxes and duties, medical receipts and agricultural receipts respectively. According to the information furnished by the remaining departments, the arrears in collection of revenue were—

|   | Arrears in<br>April 1969 | Average<br>annual<br>revenue<br>during<br>1964-65 to<br>1968-69 | Percentage<br>of arrears |
|---|--------------------------|---|--------------------------|
| (In lakhs of rupees)  |                          |   |                          |
| (1) Land Revenue up to 13th April 1969 (i.e., 30th Chaitra, 1375 B.S) | 5,37.51                  | 7,31.79   | 73.45                    |
| (2) Forest (arrears on 31st March 1969)                               | 26.83                    | 2,25.69   | 11.88                    |
| (3) Agricultural Income Tax<br>(arrears as on 31st March 1969)        | 1,62.30                  | 1,27.37   | 1,27.42                  |
| Total   | 7,26.64                  | 10,84.85  | 66.98                    |

4. *Expenditure on revenue account*: Expenditure in 1968-69 (Rs. 2,45.55 crores) increased by Rs. 56.88 crores (30 per cent.) over that in 1966-67 (Rs. 1,88.67 crores) and by Rs. 41.43 crores (20 per cent.) over that in 1967-68 (Rs. 2,04.12 crores).

The increase is analysed below—

|  | 1966-67 | 1967-68 | 1968-69 | Increase over 1966-67 |            |
|--|---------|---------|---------|-----------------------|------------|
|  |         |         |         | Amount                | Percentage |
| (In crores of rupees)  |         |         |         |                       |            |
| (i) Collection of taxes, duties and other principal revenues | 6.80    | 8.58    | 9.38    | 2.58                  | 38         |

Mainly due to increase in the rate of dearness allowance of staff.

|                                |       |       |       |      |    |
|--------------------------------|-------|-------|-------|------|----|
| (ii) Debt Services             | 25.49 | 16.93 | 25.70 | 0.21 | 1  |
| (iii) Administrative Services— |       |       |       |      |    |
| Police                         | 13.48 | 17.28 | 19.59 | 6.11 | 45 |
| Other Administrative Services. | 14.66 | 15.47 | 17.42 | 2.76 | 19 |
| Total Administrative Services  | 28.14 | 32.75 | 37.01 | 8.87 | 32 |

Increased expenditure on Administrative services in 1968-69 (Rs. 37.01 crores) was mainly due to enhanced rate of dearness allowance of staff, larger loss on sale of subsidised food-stuff to National Volunteer Force personnel and post-budget decision to book expenditure on India Reserve First Battalion under Police (provision originally made under Extraordinary Items).

|  | 1966-67        | 1967-68        | 1968-69        | Increase over 1966-67 |            |
|--|----------------|----------------|----------------|-----------------------|------------|
|  |                |                |                | Amount                | Percentage |
| <i>(In crores of rupees)</i>   |                |                |                |                       |            |
| <b>(iv) Social and Developmental Services—</b>   |                |                |                |                       |            |
| Education .. .. .  | 36.84          | 45.87          | 49.19          | 12.25                 | 33         |
| 20 per cent. of the total expenditure on revenue account was spent on education. The increase was mainly due to larger grants to universities, non-Government arts colleges, secondary schools and local bodies for primary education and enhanced dearness allowance sanctioned to the staff. |                |                |                |                       |            |
| Medical and Public Health  | 17.00          | 21.36          | 24.04          | 7.04                  | 41         |
| Mainly due to more expenditure on hospitals and dispensaries as also on development schemes.   |                |                |                |                       |            |
| Agriculture .. .. .  | 12.35          | 13.95          | 14.23          | 1.88                  | 15         |
| Labour and Employment  | 3.71           | 4.31           | 4.86           | 1.15                  | 31         |
| Other departments ..   | 13.87          | 14.90          | 15.82          | 2.45                  | 18         |
| <b>Total—Social and Developmental Services</b>   | <b>83.37</b>   | <b>1,00.39</b> | <b>1,08.14</b> | <b>24.77</b>          | <b>30</b>  |
| (v) Public Works (including Roads) and Schemes of Miscellaneous Public Improvements  | 11.72          | 8.82           | 11.89          | 0.17                  | 1          |
| (vi) Other heads .. .  | 33.15          | 36.65          | 53.43          | 20.28                 | 61         |
| <b>Total ..</b>  | <b>1,88.67</b> | <b>2,04.12</b> | <b>2,45.55</b> | <b>56.88</b>          | <b>30</b>  |

5. *Expenditure outside the revenue account:* (a) Expenditure outside the revenue account includes, besides capital expenditure, loans and advances disbursed by State Government.

Expenditure on capital account during the three years ending 1968-69 as compared with the budget estimates for these years is shown below (loans and advances are dealt with in paragraph 6)—

| Year                         | Budget | Actuals | Variation |            |
|------------------------------|--------|---------|-----------|------------|
|                              |        |         | Amount    | Percentage |
| <i>(In crores of rupees)</i> |        |         |           |            |
| 1966-67 .. .. .              | 35.40  | 8.67    | -26.73    | 75         |
| 1967-68 .. .. .              | 39.52  | 33.41   | -6.11     | 15         |
| 1968-69 .. .. .              | 27.06  | 24.76   | -2.30     | 8          |

The budget figures shown above are the original budget estimates. Supplementary grants of Rs. 2.14 crores, Rs. 0.10 crore and Rs. 6.93 crores were obtained in 1966-67, 1967-68 and 1968-69 respectively.

(b) Further analysis of expenditure outside the revenue account is given below—

|  | During<br>1968-69; | During<br>1966-67 to<br>1968-69 | Total up to<br>1968-69 |
|--|--------------------|---------------------------------|------------------------|
| <i>(In crores of rupees)</i>   |                    |                                 |                        |
| (I) Capital expenditure on—  |                    |                                 |                        |
| (i) Irrigation and Multipurpose river schemes ..   | 7.17               | 19.31                           | 1,65.29                |
| (ii) Other commercial departments/undertakings, schemes of Government trading, industrial development, road and water transport and agricultural schemes | 4.38               | 6.21                            | 28.62                  |
| (iii) Compensation to landholders, etc., on the abolition of zamindari system  | 2.30               | 7.19                            | 24.88                  |
| (iv) Outlay on civil works .. .. .   | 10.83              | 33.96                           | 2,08.59                |
| (v) Miscellaneous such as capital outlay on forests and payment of commuted value of pensions  | 0.08               | 0.18                            | 0.84                   |
| (vi) Electricity schemes .. .. .   | ..                 | ..                              | 1.28                   |
| Total Capital expenditure .. .. .  | 24.76              | 66.85                           | 4,29.40                |
| (II) Net outgo under loans and advances by State Government, i.e., after taking into account recoveries of loans   | 11.78              | 35.58                           | 1,96.83                |
| Total .. .. .  | 36.54              | 1,02.43                         | 6,25.23                |

Further details of capital expenditure are given in statement nos. 2 and 13 of Finance Accounts 1968-69

(c) The sources from which expenditure outside the revenue account including that on loans and advances during 1968-69 and during the three years ending 1968-69 was met are given below—

|   | 1968-69 | 1966-67 to<br>1968-69 |
|---|---------|-----------------------|
| <i>(In crores of rupees)</i>  |         |                       |
| I. Net additions to—  |         |                       |
| (i) Permanent Debt .. .. .  | 2.00    | 8.77                  |
| (ii) Floating Debt .. .. .  | ..      | -20.70                |
| (iii) Loans from Central Government .. .. .   | 45.45   | 95.03                 |
| (iv) Loans from other sources .. .. .   | 0.95    | 3.18                  |
| (v) Unfunded Debt (mainly provident funds) .. .. .  | 2.14    | 5.31                  |
| II. Other capital receipts—mainly deposits (net) received by Government and withdrawals from Contingency Fund | 13.44   | 37.09                 |
| III. Receipts from encashment of securities and decrease in cash balance                                      | -6.41   | 3.25                  |
| Total Receipts .. .. .  | 57.57   | 1,31.93               |
| Less—Deficit on revenue account .. .. .   | -21.03  | -29.50                |
| Net resources available for expenditure outside the revenue account .. .. .                                   | 36.54   | 1,02.43               |

6. *Loans and advances: (a)* Budget estimates and actuals of loans and advances by State Government and recoveries thereof during 1966-67, 1967-68 and 1968-69 are given below—

| Year                  | Budget | Actual | Variation |            |
|-----------------------|--------|--------|-----------|------------|
|                       |        |        | Amount    | Percentage |
| (In crores of rupees) |        |        |           |            |
| <i>Disbursements</i>  |        |        |           |            |
| 1966-67 .. .. .       | 21.65  | 14.58  | -7.07     | 33         |
| 1967-68 .. .. .       | 16.02  | 17.90  | +1.88     | 13         |
| 1968-69 .. .. .       | 16.76  | 22.38  | +5.62     | 34         |
| <i>Recoveries</i>     |        |        |           |            |
| 1966-67 .. .. .       | 7.16   | 4.55   | -2.61     | 36         |
| 1967-68 .. .. .       | 7.13   | 4.13   | -3.00     | 42         |
| 1968-69 .. .. .       | 7.49   | 10.60  | +3.11     | 42         |

The budget estimates of disbursements shown above do not include supplementary grants of Rs. Nil, Rs. 1.09 crores and Rs. 7.20 crores obtained during 1966-67, 1967-68 and 1968-69 respectively.

Loans and advances disbursed by Government and outstanding at the end of March 1969 were Rs. 1,95.83 crores as shown below—

| (In crores of rupees)   |          |
|---|----------|
| (1) Loans to local bodies .. .. .   | (a) 4.43 |
| (2) Advances to cultivators .. .. .   | 10.49    |
| (3) Loans and advances to displaced persons .. .. .   | 33.38    |
| (4) Loans under community development programme .. .. .   | 4.95     |
| (5) Advances under special laws .. .. .   | 66.42    |
| <hr/>   |          |
| (a) Excludes the following which have been shown under 6(vii) :—  |          |
| (i) Loans to Calcutta Corporation under slum clearance scheme .. .. .                                     | 0.12     |
| (ii) Loans to Calcutta Improvement Trust for slum clearance scheme .. .. .                                | 0.91     |
| (iii) Loans to Calcutta Improvement Trust for subsidised industrial housing scheme .. .. .                | 0.22     |
| (iv) Loans to Howrah Improvement Trust for arterial sewerage scheme .. .. .                               | 0.77     |
| (v) Loans to Howrah Improvement Trust for construction of G. T. Road by-pass .. .. .                      | 0.50     |
| (vi) Loans to Calcutta Corporation for water-supply and drainage augmentation scheme <sup>1</sup> .. .. . | 1.54     |
| (vii) Loans to Howrah Improvement Trust for slum-clearance scheme .. .. .                                 | 0.07     |
| <hr/>   |          |
| 4.13  |          |

| (6) Miscellaneous loans and advances—                       | (In crores of rupees) |
|---|-----------------------|
| (i) Loans to statutory corporations .. .. .                 | 11.13                 |
| (ii) Loans to Durgapur Projects Ltd. .. .. .                | 25.99                 |
| (iii) Loans to Durgapur Chemicals Ltd .. .. .               | 9.17                  |
| (iv) Loans to Government companies . . . . .                | 1.83                  |
| (v) Loans under low income group housing scheme .. .. .     | 2.52                  |
| (vi) Loans under middle income group housing scheme .. .. . | 1.24                  |
| (vii) Other miscellaneous loans .. .. .                     | 20.89                 |
| (7) Loans to Government servants .. .. .                    | 3.39                  |
| Total .. .. .   | 1,57.83               |

A in the previous year [paragraph 6 (a) of the Audit Report 1969] Rs. 1.08 crores were given as loans to Durgapur Projects Ltd. (Rs. 0.58 crore) and Durgapur Chemicals Ltd. (Rs. 0.50 crore) in 1968-69 for meeting their interest liabilities on earlier loans although the Commerce and Industries Department had stated before the Public Accounts Committee on 31st August 1967 that the department did not support in principle giving loans for meeting interest liabilities and had assured that such things would not recur in future.

Further details of loans and advances are given in statement nos. 5 and 18 of Finance Accounts 1968-69.

(b) *Non-settlement of terms and conditions* : Terms and conditions of repayment of Rs. 82.10 crores given as loans (in 275 cases) to statutory corporations etc., have not been settled and no repayment has, therefore, been made. The details of the loans are given below (some of these loans were paid as early as 1955-56)—

| Borrower   | Number of loans | Total amount of loans |
|--|-----------------|-----------------------|
|  |                 | (In crores of rupees) |
| (i) West Bengal State Electricity Board .. .. .                          | 88              | 66.10                 |
| (ii) West Bengal Development Corporation .. .. .                         | 31              | 4.10*                 |
| (iii) Calcutta State Transport Corporation .. .. .                       | 33              | 5.86                  |
| (iv) North Bengal State Transport Corporation .. .. .                    | 8               | 0.85                  |
| (v) Howrah Improvement Trust .. .. .                                     | 11              | 0.94                  |
| (vi) Calcutta Tramways Company Ltd. .. .. .                              | 11              | 0.33                  |
| (vii) West Bengal Financial Corporation .. .. .                          | 9               | 0.31                  |
| (viii) Calcutta Improvement Trust .. .. .                                | 8               | 0.35                  |
| (ix) Calcutta Metropolitan Sanitation and Water Supply Authority .. .. . | 9               | 1.07                  |
| (x) Commissioners for the port of Calcutta .. .. .                       | 3               | 0.10                  |
| (xi) Durgapur Development Authority .. .. .                              | 9               | 0.02                  |
| (xii) West Bengal Bhudan Yagna Board .. .. .                             | 8               | .. †                  |
| (xiii) Calcutta Corporation .. .. .                                      | 3               | 0.94                  |
| (xiv) Municipalities .. .. .   | 5               | 0.15                  |
| (xv) Zilla Parishads .. .. .   | 39              | 0.38                  |
| Total .. .. .  | 275             | 82.10                 |

\*The Corporation went into liquidation on 1st April 1966.

†Rs. 27,000 only.

(c) *Recoveries in arrears*: In the case of loans at serial nos. 1, 5 (in part), 6(i) to 6(iv) and 7 of sub-paragraph (a) above, detailed accounts of which are maintained by Audit Office, recovery of Rs. 3,04.91 lakhs (principal: Rs. 2,06.60 lakhs and interest: Rs. 98.31 lakhs) was in arrears (in 894 cases) on 31st March 1969 as shown below—of that, recovery of Rs. 1,03.24 lakhs (329 cases) (principal: Rs. 58.43 lakhs and interest: Rs. 44.81 lakhs) was in arrears for more than three years—

| Due from  | Number of cases | Principal | Interest |
|---|-----------------|-----------|----------|
| (In lakhs of rupees)  |                 |           |          |
| Corporation of Calcutta, Municipalities, Zilla Parishads and Anchal Panchayats and Calcutta Improvement Trust, etc. | 182             | 1,24.01   | 46.21    |
| Displaced persons .. .. .   | 620             | 74.03     | 45.04    |
| Educational institutions .. .. .  | 92              | 8.56      | 7.06     |
| Total .. .. .   | 894             | 2,06.60   | 98.31    |

As would be seen from the following, there has been steady increase in the overdue amount of loans and interest accrued thereon:—

|   | Position on        |                    |                    |
|---|--------------------|--------------------|--------------------|
|   | 31st March<br>1967 | 31st March<br>1968 | 31st March<br>1969 |
| (In lakhs of rupees)                        |                    |                    |                    |
| Total overdue amount .. .. .                | 1,31.39            | 2,74.28            | 3,04.91            |
| Amount overdue for more than three years .. | 63.62              | 84.54              | 1,03.24            |

In the case of other loans detailed accounts of which are maintained by departmental officers no information about recoveries in arrears has been received (January 1970).

(d) *Non-receipt of utilisation certificates*: Utilisation certificates for Rs. 4.50 crores (257 cases) given as loans by Government were due at the end of March 1969, but these have not been received (January 1970) in any case. Departmentwise break-up is shown below:—

| Department                                    | Number of utilisation certificates | Amount |
|---|------------------------------------|--------|
| (In crores of rupees)                         |                                    |        |
| 1. Co-operation .. .. .                       | 93                                 | 0.97   |
| 2. Cottage and Small Scale Industries .. .. . | 64                                 | 0.09   |
| 3. Local Self-Government .. .. .              | 44                                 | 1.63   |
| 4. Development and Planning .. .. .           | 5                                  | 0.29   |
| 5. Panchayat .. .. .                          | 13                                 | 0.02   |
| 6. Health .. .. .                             | 30                                 | 1.36   |
| 7. Housing .. .. .                            | 8                                  | 0.14   |
| Total .. .. .                                 | 257                                | 4.50   |

The earliest year to which the certificates relate is 1957-58.

## 7. Debt: (a) Details of public debt transactions are given below:—

|                                      | Receipts<br>during the<br>year | Repayments<br>during the<br>year | Net increase<br>during the<br>year |
|--------------------------------------|--------------------------------|----------------------------------|------------------------------------|
| (In crores of rupees)                |                                |                                  |                                    |
| Market loans .. .. .                 | 9.13                           | 7.13                             | 2.00                               |
| Floating loans .. .. .               | 55.92                          | 55.92                            | ..                                 |
| Loans from the Central Government .. | 70.39                          | 74.94                            | 45.45                              |
| Other loans .. .. .                  | 1.50                           | 0.55                             | 0.95                               |
| Total .. .. .                        | 1,36.94                        | 88.54                            | 48.40                              |

Open market loan of Rs. 8.72 crores (5½ per cent. West Bengal loan, 1980) was raised in 1968-69 at 2 per cent. discount. The loan is redeemable at par in September 1980. Of this, Rs. 6.89 crores were collected in cash and Rs. 1.83 crores by conversion of 4 per cent. West Bengal loan, 1968. In addition, Government issued West Bengal Estate Acquisition Compensation Bond of Rs. 0.41 crore for payment of compensation to landholders, etc., on the abolition of the Zamindari system.

(b) The outstanding public debt at the end of March 1969 was Rs. 6,02.07 crores. Analysis of that compared with the corresponding amounts for the previous two years is given below:—

|                                      | At the end of |         |         |
|--------------------------------------|---------------|---------|---------|
|                                      | 1966-67       | 1967-68 | 1968-69 |
| (In crores of rupees)                |               |         |         |
| Market loans .. .. .                 | 69.04         | 69.74   | 71.74   |
| Floating loans .. .. .               | 1.82          | ..      | ..      |
| Loans from the Central Government .. | 4,41.30       | 4,70.85 | 5,16.30 |
| Other loans .. .. .                  | 12.96         | 13.08   | 14.03   |
| Total .. .. .                        | 5,25.12       | 5,53.67 | 6,02.07 |

(c) In addition to public debt, unfunded debt comprising the provident fund balances of Government servants and the balances at credit of accumulated funds, such as depreciation reserve funds as also certain deposits, to the extent they have not been invested but are merged with the general cash balance of Government, also constitute liability of Government.

Taking the public debt and these liabilities together, the debt position of Government was as follows:—

|  | At the end of |         |         |
|--|---------------|---------|---------|
|  | 1966-67       | 1967-68 | 1968-69 |
| (In crores of rupees)                          |               |         |         |
| Public Debt .. .. .                            | 5,25.12       | 5,53.67 | 6,02.07 |
| Unfunded Debt .. .. .                          | 19.35         | 20.98   | 23.12   |
| Depreciation Reserve and other earmarked funds | 18.37         | 23.75   | 34.13   |
| Deposits of local funds and civil deposits ..  | 42.30         | 43.16   | 40.68   |
| Total .. .. .                                  | 6,05.14       | 6,41.56 | 7,00.00 |



8 *Ways and means position* : Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a minimum balance of Rs. 50 lakhs at the end of each working day. If this balance falls below the agreed minimum, the deficiency is made good either by taking ways and means advance from the Reserve Bank or by selling treasury bills. The Bank allows to Government ways and means advance up to a maximum of Rs. 1.50 crores without any cover. If even after taking this advance, Government is not able to maintain the minimum cash balance, the Bank allows overdrafts.

No treasury bills were issued during the year. Ways and means advances of Rs. 13.59 crores (on twenty-four occasions) and overdrafts of Rs. 42.33 crores (on sixty-one occasions) were taken by Government in 1968-69. These were fully repaid during the year. Rs. 0.07 crore was payable as interest on these advances/overdrafts of which Rs. 0.04 crore was paid during the year and Rs. 0.03 crore remained as undischarged liability.

9. *Loans from Central Government* : The loans received from Central Government and outstanding at the end of 1968-69 were Rs. 5,16.30 crores; these formed 86 per cent of the total public debt (Rs. 6,02.07 crores).

In 1968-69 State Government received Rs. 40.40 crores as ways and means advances for Plan schemes; of that, Rs. 32.99 crores were adjusted as loans and Rs. 7.41 crores as grants.

In 1968-69 State Government obtained from Central Government Rs. 70.39 crores (inclusive of ways and means advances of Rs. 32.99 crores converted into loans) as loans for development (Rs. 35.45 crores) and other purposes (Rs. 34.94 crores). Details of loans outstanding on 31st March 1969 are given in statement no. 17 of Finance Accounts 1968-69. On 31st March 1969 repayment of Rs. 33.34 crores (principal : Rs. 15.78 crores and interest : Rs. 17.56 crores) to Central Government was overdue (other than rehabilitation loans) as given below :—

| Class of loan  | Amount overdue              |          |
|--|-----------------------------|----------|
|  | Principal                   | Interest |
|  | <i>(In lakhs of rupees)</i> |          |
| (i) Miscellaneous development purposes .. ..                                     | 10,69.84                    | 4,48.49  |
| (ii) Sharing of Small Savings collections .. ..                                  | 21.41                       | 4,49.51  |
| (iii) Major irrigation and multipurpose river projects ..                        | 1,65.43                     | 7,51.47  |
| (iv) Agricultural production and allied schemes ..                               | 2,51.43                     | 5.92     |
| (v) Other loans .. ..  | 40.41                       | 61.30    |
| (vi) Other ways and means advances .. ..   | ..                          | 5.00     |
| (vii) Community development, co-operation and national extension service schemes | 3.65                        | 6.25     |
| (viii) Water supply and drainage schemes .. ..                                   | 7.36                        | 10.31    |
| (ix) Industrial development .. ..  | 12.28                       | 2.16     |
| (x) Rehabilitation of displaced persons (a) .. ..                                | 0.23                        | 0.51     |
| (xi) Housing schemes .. ..   | 5.81                        | 15.44    |
| Total .. ..  | 15,77.85                    | 17,59.42 |

(a) represent loans for Indian repatriates from Burma.

*Rehabilitation loans*: Up to the end of 1968-69 State Government obtained from Government of India Rs. 64.54 crores as loans for rehabilitation of displaced persons from East Pakistan of which Rs. 12.94 crores were repaid up to 31st March 1969. Of these loans terms and conditions of repayment of five rehabilitation loans of Rs. 1.19 crores sanctioned during 1958-59 to 1965-66 still remain to be settled. The terms and conditions of repayment of other rehabilitation loans sanctioned up to 1957-58 (Rs. 45.47 crores) were revised by Government of India in September 1959 as per recommendations of the Finance Commission. The revised terms have not been accepted by State Government, which pays to Government of India every year whatever amounts it collects from the borrowers during the year.

According to the original terms and conditions of repayment, Rs. 51.94 crores (principal: Rs. 34.23 crores and interest: Rs. 17.71 crores) fall due for repayment up to March 1969, of that, Rs. 9.93 crores were adjusted as remission of loans up to 1968-69.

10. The interest charges paid on debt and other obligations are analysed below:—

|   | 1966-67               | 1967-68 | 1968-69 |
|---|-----------------------|---------|---------|
|   | (In crores of rupees) |         |         |
| (i) Interest paid by State Government ..                        | 20.81                 | 11.66   | 20.63   |
| (ii) Deduct—  |                       |         |         |
| (a) Interest received on loans and advances by State Government | 4.34                  | 5.19    | 2.32    |
| (b) Interest realised on investment of cash balance             | 0.44                  | 0.03    | 0.01    |
| (c) Interest on capital advanced to Damodar Valley Corporation  | 2.21                  | 2.17    | 2.38    |
| (iii) Net burden of interest on revenue [(i) minus (ii)]        | 13.82                 | 4.27    | 15.92   |
| (iv) Percentage of net interest to total revenue receipts       | 7.46                  | 2.15    | 7.09    |

In addition, there were certain other receipts and adjustments (Rs. 2.79 crores) such as interest received from commercial departments etc. If these are also taken into account, the net burden of interest on revenue was Rs. 13.13 crores (5.8 per cent. of revenue). In 1968-69 interest due on some Central loans was not paid by State Government (cf. paragraph 9).

11. *Arrangements for amortisation of debt*: The following arrangements have been made for amortisation of loans raised in the open market. These are in accordance with the arrangements announced at the time of floating the loans:—

- (i) *Depreciation fund*: A sum equal to 1½ per cent. of the total nominal amount of the loan is set apart to form a depreciation fund for purchasing the securities for cancellation.
- (ii) *Sinking fund*: In addition to the annual contributions to the depreciation fund, an annual contribution is made to sinking fund for amortisation of loans at such rates as Government may decide from time to time.

During 1968-69 Rs. 5.07 crores were contributed to the sinking funds from revenue.

The balances in these funds and investment of these balances during the last three years are shown below :—

| Year                  | Opening balance at credit of the funds | Net receipts during the year | Total | Total investment | Amount not invested |
|-----------------------|--|------------------------------|-------|------------------|---------------------|
| (In crores of rupees) |  |                              |       |                  |                     |
| 1966-67               | 25.01                                  | 5.49                         | 30.50 | 19.73            | 10.77               |
| 1967-68               | 30.50                                  | 6.30                         | 36.80 | 22.21            | 14.59               |
| 1968-69               | 36.80                                  | 5.88                         | 42.68 | 17.70            | 24.98               |

The balance of Rs. 24.98 crores was merged in the general cash balance of the State.

No amortisation arrangement has been made for repayment of loans from Central Government (Rs 5,16.30 crores) and from autonomous bodies (Rs 14.03 crores); these loans are repaid as and when due.

12. *Guarantees*: Government has given guarantees for repayment of bonds, debentures and loans and payment of interest thereon in favour of statutory corporations and boards, co-operative institutions, joint-stock companies, local bodies, etc., the maximum amount guaranteed on 31st March 1969 being Rs. 53.97 crores as shown below :—

| Organisations and Boards  | Department              | Number of organisations receiving guarantees | Maximum amount guaranteed | Sums guaranteed and outstanding on 31st March 1969 |
|---|-------------------------|--|---------------------------|--|
| (In crores of rupees)   |                         |  |                           |  |
| 1. Statutory Corporations and Boards—guarantee for repayment of share capital, debentures, loans, etc., and payment of interest thereon | Commerce and Industries | 2  | 11.59                     | 11.55  |

A redemption fund has been created by West Bengal State Electricity Board for redemption of all the loans guaranteed by Government (Rs. 6.01 crores) while no such fund was created by West Bengal Financial Corporation

|  |              |    |       |      |
|--|--------------|----|-------|------|
| 2. Co-operative banks and institutions | Co-operation | 20 | 28.04 | 8.34 |
|--|--------------|----|-------|------|

No securities were pledged by four co-operative banks and eight co-operative societies for which Rs 8.29 crores have been guaranteed. The assets of the remaining eight societies have been pledged to Government.

|                          |                         |   |       |      |
|--------------------------|-------------------------|---|-------|------|
| 3. Joint-stock companies | Commerce and Industries | 5 | 10.84 | 6.24 |
|--------------------------|-------------------------|---|-------|------|

Land, buildings, plant and machinery have been pledged by two companies. Stores, stocks, book debts and other assets have been hypothecated by one. According to the agreement with another company, in the event of the guarantee being invoked, Government shall have the benefit of any security created by that company in favour of the Bank for loan which has been guaranteed by Government.

|                                    |   |      |    |
|------------------------------------|---|------|----|
| Cottage and Small Scale Industries | 1 | 0.50 | .. |
|------------------------------------|---|------|----|

Promissory notes executed by the corporation and pledged to Government.

|   |              |    |       |       |
|---|--------------|----|-------|-------|
| 4. Local bodies—guarantee for repayment of amount raised by issue of debentures and payment of interest thereon | Public Works | 1  | 3.00  | 0.65  |
| Total   |              | .. | 53.97 | 26.18 |

Out of the guaranteed sums (Rs. 26.18 crores) outstanding on 31st March 1969, guarantees for Rs. 16.17 crores are not covered by any securities or redemption funds. Copies of agreements executed with the organisations under items 2 and 3 and their audited accounts have been received in Audit only in one case (January 1970).

A guarantee charge has been imposed only in one case and the company is regularly paying the charge.

In execution of a guarantee, Government paid during the year Rs. 3.50 lakhs in repayment of a portion of loan taken by National Sugar Mills Limited from West Bengal Financial Corporation. Rs. 29.20 lakhs have been paid by Government so far (March 1969) in fulfilment of guarantees given in favour of that company. The amount paid has been treated as loan. No recovery has been made so far from the Sugar Mills nor have the terms and conditions of repayment been laid down as yet.

Further details of the guarantees are given in statement no. 6 of Finance Accounts 1968-69.

13. *Investments*: In 1968-69 Government invested Rs. 1.35 crores in Government commercial and industrial undertakings (Rs. 0.82 crore), other commercial and industrial undertakings (Rs. 0.21 crore) and co-operatives (Rs. 0.32 crore).

The total investment of Government in the share capital and debentures of different concerns at the end of 1966-67, 1967-68 and 1968-69 were Rs. 24.14 crores, Rs. 25.38 crores and Rs. 26.73 crores respectively. The dividend/interest received therefrom was Rs. 0.70 lakh (0.03 per cent.), Rs. 1.49 lakhs (0.06 per cent.) and Rs. 0.89 lakh (0.03 per cent.) respectively. Further details are given below:—

|  |         | 1966-67                     |            |                            |
|--|---------|-----------------------------|------------|----------------------------|
|  |         | Number of concerns          | Investment | Dividend/Interest received |
|  |         | <i>(In lakhs of rupees)</i> |            |                            |
| (i) Statutory Corporations                   | .. ..   | 2                           | 60.77      | ..                         |
| (ii) Government companies                    | █ .. .. | 11                          | 19,01.64   | 0.70                       |
| (iii) Joint-stock companies and partnerships | .. ..   | 5                           | 37.32      | ..                         |
| (iv) Co-operatives                           | .. ..   | (a)                         | 4,14.42    | ..                         |
| <b>Total</b>                                 | .. ..   | 18                          | 24,14.15   | 0.70                       |

(a) Information not available.

|  |              | 1967-68                     |                 |                            |
|--|--------------|-----------------------------|-----------------|----------------------------|
|  |              | Number of concerns          | Investment      | Dividend/Interest received |
|  |              | <i>(In lakhs of rupees)</i> |                 |                            |
| (i) Statutory Corporations                   | .. ..        | 2                           | 60.77           | ..                         |
| (ii) Government companies                    | .. ..        | 11                          | 19,44.42        | 1.44                       |
| (iii) Joint-stock companies and partnerships | .. ..        | 5                           | 47.32           | 0.05                       |
| (iv) Co-operatives                           | .. ..        | (a)                         | 4,85.86         | (b)                        |
| <b>Total</b>                                 | <b>.. ..</b> | <b>18</b>                   | <b>25,38.37</b> | <b>1.49</b>                |
|  |              | 1968-69                     |                 |                            |
|  |              | Number of concerns          | Investment      | Dividend/Interest received |
|  |              | <i>(In lakhs of rupees)</i> |                 |                            |
| (i) Statutory Corporations                   | .. ..        | 2                           | 60.77           | ..                         |
| (ii) Government companies                    | .. ..        | 12                          | 20,26.06        | ..                         |
| (iii) Joint-stock companies and partnerships | .. ..        | 7                           | 68.32           | ..                         |
| (iv) Co-operatives                           | .. ..        | 1,784                       | (c) 5,18.12     | 0.89                       |
| <b>Total</b>                                 | <b>.. ..</b> | <b>1,805</b>                | <b>26,73.27</b> | <b>0.89</b>                |

These investments exclude capital advances of Rs. 6.16.60 lakhs to Calcutta State Transport Corporation (Rs. 6.01.96 lakhs) and North Bengal State Transport Corporation (Rs. 14.64 lakhs). The advances represent outlays incurred by Government before formation of these Corporations, On their formation the amount was treated as capital advanced to them—terms and conditions have not yet been settled.

Further particulars of the investments have been given in statement no. 14 and appendix III of Finance Accounts 1968-69.

14. *Grants-in-aid*: During 1968-69 Rs. 23.84 crores were paid as grants-in-aid to local bodies (Rs. 10.05 crores), private institutions and individuals; this formed 10 per cent. of Government's total expenditure on revenue account. Broad purposes for which the grants were paid are shown below:—

|                                   |              | Building grants             | Maintenance grants | Others         |
|-----------------------------------|--------------|-----------------------------|--------------------|----------------|
|                                   |              | <i>(In lakhs of rupees)</i> |                    |                |
| <b>Local bodies—</b>              |              |                             |                    |                |
| Recurring                         | .. ..        | ..                          | 9,75.27            | ..             |
| Non-recurring                     | .. ..        | 12.73                       | ..                 | 17.34          |
| <b>Co-operative institutions—</b> |              |                             |                    |                |
| Recurring                         | .. ..        | ..                          | 0.34               | 1.06           |
| Non-recurring                     | .. ..        | 0.30                        | ..                 | 69.24          |
| <b>Others—</b>                    |              |                             |                    |                |
| Recurring                         | .. ..        | ..                          | 10,73.59           | 8.63           |
| Non-recurring                     | .. ..        | 50.07                       | 1,09.65            | 69.17          |
| <b>Total</b>                      | <b>.. ..</b> | <b>63.10</b>                | <b>21,58.85</b>    | <b>1,62.44</b> |

(a) Information not available.

(b) Rs. 300 only.

(c) Includes Rs. 2.31 lakhs; for which details of investment have not been furnished by the departmental officers.

Sanctioning officers are required to certify to Audit proper utilisation of grants. Utilisation certificates for Rs. 37.50 crores paid as grants up to 1967-68 (in 11,681 cases) have not been furnished (January 1970). (Details are given in appendix I). Of those, 1,437 certificates for Rs. 5.57 crores are awaited for more than three years. In the absence of such certificates it is not known how far the sanctioning authorities have satisfied themselves that the grants have been properly utilised for the purpose for which they were intended.

The bulk of the outstanding certificates (10,288 certificates for Rs. 30.48 crores) is due from Education department.

15. *Financial results of irrigation and multipurpose river schemes*: Up to the end of March 1969 Government investment on seven irrigation and multipurpose river schemes each costing Rs. 15 lakhs and above for which revenue and capital accounts are maintained was Rs. 20.36 crores. After making provision for interest on capital (Rs. 1.12 crores) there was a net loss of Rs. 1.48 crores (7 per cent of the capital) during 1968-69. Further details are given in statement no. 3 of Finance Accounts 1968-69.

16. *Delay in acceptance of balances under debt, loans and deposits*: The balances under debt, loans and deposits etc., are communicated every year to departmental officers for acceptance. In a large number of cases such acceptances have not been received; certain illustrative cases are given in appendix II. In the absence of such acceptances it cannot be stated that the departmental records indicate the correct position; the possibility of unauthorised drawals and misappropriations, if any, of recoveries remaining undetected cannot also be ruled out.

## CHAPTER II

## Appropriation Audit and Control over Expenditure

17. *Summary*: The following table compares the expenditure during 1968-69 with the total of voted grants and charged appropriations:—

|                       |    | Grants/<br>appropriations* | Actual<br>expenditure | Saving  | Percentage |
|-----------------------|----|----------------------------|-----------------------|---------|------------|
| (In crores of rupees) |    |                            |                       |         |            |
| Voted—                |    |                            |                       |         |            |
| Original              | .. | 2,67.35                    | 3,15.09               | 2,99.77 | 15.32      |
| Supplementary         | .. | 47.74                      |                       |         |            |
| Charged—              |    |                            |                       |         |            |
| Original              | .. | 66.24                      | 1,37.34               | 1,15.08 | 16         |
| Supplementary         | .. | 71.10                      |                       |         |            |
| Total                 | .. | 4,52.43                    | 4,14.85               | 37.58   |            |

Expenditure shown above does not include Rs. 0.69 crore spent from out of advances from the Contingency Fund sanctioned in June 1968 and March 1969 which were not recouped to the Fund till the close of the year.

Saving of Rs. 37.58 crores was the result of—

- (i) saving of Rs. 47.39 crores in fifty-eight grants/appropriations, and
- (ii) excess of Rs. 9.81 crores in twenty grants/appropriations

18. *Supplementary grants, appropriations*: During the year, supplementary provision of Rs. 1,18.84 crores was obtained under thirty-five voted grants and twenty charged appropriations.

It would be seen from appendix III that—

- (i) in ten cases, the supplementary provision of Rs. 14,37.95 lakhs proved unnecessary,
- (ii) in ten cases, the supplementary grants/appropriations proved excessive; in these cases, out of a total supplementary provision of Rs. 83,76.92 lakhs only Rs. 67,28.23 lakhs were utilized, and
- (iii) in seven cases, the supplementary grants/appropriations proved inadequate, in these cases, a total supplementary provision of Rs. 9,61.80 lakhs was obtained but final excesses of Rs. 5,99.05 lakhs remained uncovered.

19. *Excess over Voted grants*—The following figures in cases of excess over voted grants require to be regularised under Article 215 of the Constitution:—

| Serial No.               | Grant               | Total provision | Expenditure |           | Excess |
|--------------------------|---------------------|-----------------|-------------|-----------|--------|
|                          |                     |                 | Rs.         | Rs.       |        |
| (1) 4—Taxes on Vehicles— |                     |                 |             |           |        |
|                          | Original .. ..      | 17,15,000       | 18,52,000   | 18,76,584 | 24,584 |
|                          | Supplementary .. .. | 1,37,000        |             |           |        |

Excess occurred under "Charges of Collection under Motor Vehicles Acts" (total provision Rs. 17.74 lakhs, expenditure Rs. 17.99 lakhs) Reasons for excess have not been furnished.

Excess over this grant occurred in the preceding two years also.

(2) 11—Parliament, State/Union Territory Legislatures—

|  |                     |           |             |             |          |
|--|---------------------|-----------|-------------|-------------|----------|
|  | Original .. ..      | 47,73,000 | 1,05,77,000 | 1,10,64,325 | 4,87,325 |
|  | Supplementary .. .. | 58,04,000 |             |             |          |

Excess was mainly due to mid-term general elections to the State Legislative Assembly held in February 1960

Excess over this grant occurred in the preceding three years also.

(3) 12—General Administration—

|  |                     |             |             |             |          |
|--|---------------------|-------------|-------------|-------------|----------|
|  | Original .. ..      | 5,89,29,000 | 6,30,22,000 | 6,39,70,774 | 9,48,774 |
|  | Supplementary .. .. | 40,93,000   |             |             |          |

Excess occurred mainly under "C(1)—Civil Secretariat" (total provision Rs. 2,81.18 lakhs, expenditure Rs. 2,91.42 lakhs) and "E(1)—General Establishment" (total provision Rs. 2,08.39 lakhs, expenditure Rs. 2,13.67 lakhs) owing to more expenditure on allowances, honoraria etc. The excess was partly counter-balanced by savings under other items.

(4) 13—Administration of Justice—

|  |                     |             |             |             |          |
|--|---------------------|-------------|-------------|-------------|----------|
|  | Original .. ..      | 1,63,74,000 | 1,74,89,000 | 1,79,10,635 | 4,21,635 |
|  | Supplementary .. .. | 11,15,000   |             |             |          |

Excess occurred mainly under "D—Law Officers—D(3)—Mufassal Establishment" (total provision Rs. 9.94 lakhs, expenditure Rs. 11.23 lakhs) and "H—Civil and Sessions Courts—H(1)—Civil and Sessions Court" (total provision Rs. 94.67 lakhs, expenditure Rs. 98.07 lakhs). Excess was mainly due to conversion of posts of staff paid out of contingencies into regular posts, construction of *ejlahes*, establishment of new courts, and payment of arrears bills of Government pleaders and public prosecutors, payment of dearness allowance at enhanced rates and arrears municipal taxes.

The excess was partly counter-balanced by savings under other heads.

(5) 15—Police—

|  |                     |              |              |              |           |
|--|---------------------|--------------|--------------|--------------|-----------|
|  | Original .. ..      | 18,21,46,000 | 21,44,67,000 | 21,55,97,972 | 11,20,972 |
|  | Supplementary .. .. | 3,23,21,000  |              |              |           |



Excess occurred mainly under "I—Miscellaneous—1(b)—Extra Police Force—1(b) (1)—Police appointed for the performance of agency functions" (total provision Rs. 50.90 lakhs, expenditure Rs. 55.18 lakhs), "1(b)(3)—Additional police for Enforcement Branch" (total provision Rs. 45.16 lakhs, expenditure Rs. 51.31 lakhs and "1(b)(4)—Cost of police force, etc, employed for cordoning work" (total provision Rs. 1,29.50 lakhs, expenditure Rs. 1,32.72 lakh). Reasons for excess have not been furnished. The excess was partly counter-balanced by savings under other heads.

In the preceding year also expenditure exceeded this grant

| Serial No. | Grant | Total provision | Expenditure | Excess |
|------------|-------|-----------------|-------------|--------|
|            |       | Rs.             | Rs.         | Rs.    |

(6) 17—Miscellaneous Departments—Excluding Fire Service—

|                     |             |               |             |          |
|---------------------|-------------|---------------|-------------|----------|
| Original .. ..      | 3,74,21,000 | } 4,53,16,000 | 4,60,74,453 | 7,54,453 |
| Supplementary .. .. | 78,95,000   |               |             |          |

Excess occurred mainly under "E—Miscellaneous—E(e)—Food—E(e)(III)—Calcutta (including Industrial Area) Rationing—Allowances, honoraria etc." (total provision Rs. 34.50 lakhs, expenditure Rs. 36.60 lakhs) and "E(e) (IV)—District Distribution—Allowances, honoraria etc." (total provision Rs. 44.30 lakhs, expenditure Rs. 49.66 lakhs). Excess was mainly due to payment of additional diaries allowance to employer. The excess was partly counter-balanced by savings under other heads.

In the preceding year also, excess occurred over this grant.

(7) 18—Scientific Departments—

|                     |        |          |        |       |
|---------------------|--------|----------|--------|-------|
| Original .. ..      | 77,000 | } 77,000 | 78,100 | 1,100 |
| Supplementary .. .. | ..     |          |        |       |

No reasons for the excess which occurred under "Grants-in-aid and donations to the Scientific Societies and Institutes" have been furnished.

(8) 19—Education—

|                     |              |                |              |             |
|---------------------|--------------|----------------|--------------|-------------|
| Original .. ..      | 44,00,60,000 | } 47,52,83,000 | 49,29,69,182 | 1,76,86,182 |
| Supplementary .. .. | 3,52,23,000  |                |              |             |

Excess occurred mainly under "G(i)(a)—Direct grants to non-Government Secondary Schools for Boys" (total provision Rs. 6,20.04 lakhs, expenditure Rs. 7,53.19 lakhs) and "J(i)—Direct grants to non-Government Primary Schools for Boys and Girls" (total provision Rs. 98.35 lakhs, expenditure Rs. 1,64.35 lakhs). Reasons for bulk of the excess have not been furnished.

The excess was partly counter-balanced by savings under other heads.

| Serial No. | Grant | Total provision |     | Expenditure |     | Excess |  |
|------------|-------|-----------------|-----|-------------|-----|--------|--|
|            |       |                 | Rs. | Rs.         | Rs. |        |  |

## (9) 20—Medical—

|                     |              |                |              |             |
|---------------------|--------------|----------------|--------------|-------------|
| Original .. ..      | 16,98,89,000 | } 17,80,11,000 | 18,85,58,881 | 1,05,47,881 |
| Supplementary .. .. | 81,22,000    |                |              |             |

Excess occurred mainly under "B—Hospitals and Dispensaries-B(h)—Health centres" (total provision Rs. 2.47.50 lakhs, expenditure Rs. 2.64.57 lakhs), "H—Provincialisation of Sadar and Sub-divisional Hospitals" (total provision Rs. 1.93.01 lakhs, expenditure Rs. 2.09.60 lakhs), "L—Development Schemes—L(a)—Fourth Five-Year Plan" (total provision Rs. 1.58.72 lakhs, expenditure Rs. 1.90.17 lakhs) and "L(c)—Third Five-Year Plan (Committed Expenditure)" (total provision Rs. 2.10.82 lakhs, expenditure Rs. 2.48.97 lakhs). Excess was mainly due to sanction of additional dearness allowance to staff, more expenditure on stores and diet charges and on maintenance of National Medical College and Hospital, Calcutta, Hospital for Mental Diseases, district and sub-divisional hospitals and health centres, filling up of vacant posts and adjustment of more book debit bills for stores.

In the previous three years also, excess occurred over this grant.

## (10) 21—Public Health—

|                     |             |               |             |           |
|---------------------|-------------|---------------|-------------|-----------|
| Original .. ..      | 8,48,96,000 | } 8,48,96,000 | 9,26,13,202 | 77,17,202 |
| Supplementary .. .. | .. ..       |               |             |           |

Excess occurred mainly under "K—Suspense" (total provision Rs. 1.10.00 lakhs, expenditure Rs. 1.92.80 lakhs), "J—Development Schemes—J(i)—Fourth Five-Year Plan" (total provision Rs. 1.51.68 lakhs, expenditure Rs. 1.58.06 lakhs), and "J(ii)—Third Five-Year Plan and Committed Expenditure" (total provision Rs. 92.01 lakhs, expenditure Rs. 98.03 lakhs). Reasons for excess under "K—Suspense" have not been furnished; excess in the other two cases was mainly due to filling up of vacant posts, payment of additional dearness allowance, arrear liabilities for rural water supply etc., larger grants to different institutions and supply of more stores. The excess was partly counter-balanced by savings under other heads.

## (11) 30—Labour and Employment—

|                     |             |               |             |           |
|---------------------|-------------|---------------|-------------|-----------|
| Original .. ..      | 4,53,80,000 | } 4,53,80,000 | 4,86,30,051 | 32,50,051 |
| Supplementary .. .. | .. ..       |               |             |           |

Excess occurred mainly under "I—Development Schemes—I(i)—Fourth Five-Year Plan—Labour and Labour Welfare—Employees' State Insurance Scheme" (total provision Rs. 77.17 lakhs, expenditure Rs. 98.80 lakhs) and "I(iii)—Third Five-Year Plan and Committed Expenditure—Labour and Labour Welfare—Employees' State Insurance Scheme" (total provision Rs. 2.29.93 lakhs, expenditure Rs. 2.46.90 lakhs). Excess was mainly due to opening of more Rajyabima Ousadhalyas during the year, payment of arrear bills of approved chemist shops and higher prices of medicines. The excess was partly counter-balanced by savings under other heads.

| Serial<br>No | Grant | Total     |             | Excess |
|--------------|-------|-----------|-------------|--------|
|              |       | provision | Expenditure |        |
|              |       | Rs.       | Rs.         | Rs.    |

## (12) 34—Public Work.—

|                     |              |                |              |           |
|---------------------|--------------|----------------|--------------|-----------|
| Original .. ..      | 15,59,49,000 | } 16,82,43,000 | 17,43,34,726 | 80,91,726 |
| Supplementary .. .. | 1,22,94,000  |                |              |           |

Excess occurred mainly under "B—Original Works—Communications" (total provision Rs. 1,47.74 lakhs, expenditure Rs. 1,86.37 lakhs) owing to adjustment of debits raised by the Defence Department for expenditure on construction of border roads and "D—Repairs" (total provision Rs. 6,87.43 lakhs, expenditure Rs. 8,01.26 lakhs)—reasons for the excess of Rs. 91.04 lakhs have not been furnished; the balance excess of Rs. 22.79 lakhs was due to adjustment of debits raised by the Defence Department for expenditure on maintenance of border roads, and also to emergent repairs and additional works. The excess was partly counter-balanced by savings under other heads.

## (13) 36—Port and Pilotage—

|                     |           |             |           |          |
|---------------------|-----------|-------------|-----------|----------|
| Original .. ..      | 15,48,000 | } 16,35,000 | 17,73,127 | 1,38,127 |
| Supplementary .. .. | 87,000    |             |           |          |

Excess occurred mainly under "A—Charges for pooled launches" (total provision Rs. 8.35 lakhs, expenditure Rs. 12.13 lakhs) owing mainly to increased operational cost of vessels due to rise in prices of coal, oil and other materials and increased frequency of trips. The excess was partly counter-balanced by savings under other heads.

## (14) 39—Pensions and other Retirement Benefits—

|                     |             |               |             |           |
|---------------------|-------------|---------------|-------------|-----------|
| Original .. ..      | 2,04,43,000 | } 2,69,84,000 | 2,94,70,331 | 24,86,331 |
| Supplementary .. .. | 65,41,000   |               |             |           |

Excess occurred mainly under "A—Superannuation and Retired Allowances" (total provision Rs. 2,08.70 lakhs, expenditure Rs. 2,28.14 lakhs) and "D—Gratuities" (total provision Rs. 41.63 lakhs, expenditure Rs. 44.82 lakhs) and was mainly due to increase in the number of pension and gratuity cases and adjustment of debits for pensions and gratuities paid in other States in earlier years.

In the previous year also, excess occurred over this grant

## (15) 42—Forest—

|                     |             |               |             |        |
|---------------------|-------------|---------------|-------------|--------|
| Original .. ..      | 2,69,83,000 | } 2,97,74,000 | 2,97,84,028 | 10,028 |
| Supplementary .. .. | 27,91,000   |               |             |        |

Excess occurred mainly under "A—Conservancy and Works—A V—Miscellaneous" (total provision Rs. 38.08 lakhs, expenditure Rs. 40.99 lakhs) owing mainly to larger purchase of forest produce for increased supply of sleepers to Railways. The excess was partly counter-balanced by savings under other heads.

| Serial No.  | Grant       | Total provision | Expenditure  | Excess      |
|---|-------------|-----------------|--------------|-------------|
| (16) 45—Miscellaneous—Expenditure on Displaced Persons— |             |                 |              |             |
| Original .. ..  | 6,37,05,000 | 10,45,68,000    | 12,57,95,087 | 2,12,27,687 |
| Supplementary ..  | 4,08,63,000 |                 |              |             |

Excess occurred mainly under "71—Miscellaneous—I—Irrrecoverable loans to displaced persons written off" (total provision Rs. 5.02.00 lakhs, expenditure Rs. 7.50.01 lakhs) owing to more write-off of irrecoverable loans to displaced persons. The excess was partly counter-balanced by savings under other heads and surrender from the grant.

20 Excess over charged appropriations : Expenditure exceeded charged appropriations in the following four cases ; the excess requires regularisation :—

| Serial No.                        | Appropriation | Total appropriation | Expenditure | Excess   |
|-----------------------------------|---------------|---------------------|-------------|----------|
|                                   |               | Rs.                 | Rs.         | Rs.      |
| (1) 13—Administration of Justice— |               |                     |             |          |
| Original .. ..                    | 57,05,000     | 64,41,000           | 65,82,802   | 1,41,802 |
| Supplementary ..                  | 7,36,000      |                     |             |          |

Excess occurred mainly under "A—High Court" (total appropriation Rs. 63.44 lakhs, expenditure Rs. 64.80 lakhs). Reasons for excess have not been furnished. The excess was partly counter-balanced by savings under other heads.

(2) 33—Irrigation—

|                  |       |       |        |        |
|------------------|-------|-------|--------|--------|
| Original .. ..   | 5,000 | 5,000 | 23,787 | 18,787 |
| Supplementary .. |       |       |        |        |

No reasons for the excess which occurred under "44—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)—B—Navigation, Embankment and Drainage Works—(i)—Works—Maintenance and repairs" have been furnished.

(3) 34—Public Works—

|                  |           |           |           |          |
|------------------|-----------|-----------|-----------|----------|
| Original .. ..   | 17,24,000 | 18,18,000 | 21,87,021 | 3,69,021 |
| Supplementary .. | 94,000    |           |           |          |

Excess occurred mainly under "D—Repairs" (total appropriation Rs. 14.00 lakhs, expenditure Rs. 17.80 lakhs) owing to accelerated progress of work.

(4) 45—Miscellaneous—Expenditure on Displaced Persons—

|                  |             |             |             |             |
|------------------|-------------|-------------|-------------|-------------|
| Original .. ..   | 1,76,85,000 | 5,33,54,000 | 7,70,03,167 | 2,46,49,167 |
| Supplementary .. | 3,46,69,000 |             |             |             |

Excess occurred under "N—Loans from Central Government—Loans for expenditure on relief and rehabilitation of displaced persons" (total appropriation Rs. 5.10.50 lakhs, expenditure Rs. 7.58.51 lakhs). Government of India had granted loans to the State Government for grant of loans to displaced persons. The former delegated in May 1964 to the State Government the power to remit certain categories of rehabilitation loans. The State Government is required to

repay to Government of India only the amounts actually recovered from the displaced persons. The loans from the Government of India are also treated as repaid to the extent the irrecoverable loans from the displaced persons are written off. Such amounts are adjusted under this head as repayment of loans. During 1968-69 Rs. 7.50.01 lakhs were written off and an equivalent amount was adjusted under this group head for liquidation of State Government's liability towards the Central loan. (The additional Rs. 8.50 lakhs adjusted here represent the actual recoveries from the displaced persons repaid to Government of India.). The circumstances in which adequate provision could not be made to cover the adjustment have not been explained.

21. *Saving in grants/appropriations*: It would be seen from appendix IV that among voted grants there were sixteen cases in which savings exceeded 10 per cent. of the total provision; in seven of these cases savings ranged from 21 per cent. to 40 per cent.

In the charged appropriations, there were seven cases in which savings exceeded 10 per cent. of the total appropriation. In three of those cases savings ranged from 95 per cent. to 100 per cent.

22. Major cases of savings under individual grants/appropriations are given below:—

(a) Voted grants—

| Grant                      | Total provision              | Saving (and its percentage to the total provision) |
|----------------------------|------------------------------|--|
|                            | <i>(In crores of rupees)</i> |  |
| 22—Agriculture—Agriculture | 18.87                        | 3.28<br>(17)                                       |

Mainly under "Development Schemes" due to—

(i) partial implementation of the schemes "Lift Irrigation from rivers and beels" (Rs. 1,07.86 lakhs), "Minor Irrigation" (Rs. 30.05 lakhs), "Setting up of agricultural seed stores" (Rs. 22.24 lakhs), "Plant protection including control of wild animals" (Rs. 21.75 lakhs), "Establishment of seed farms" (Rs. 14.70 lakhs) and "Multiple Cropping and other demonstrations" (Rs. 8.53 lakhs) and

(ii) less purchase of seeds and fertilisers owing to distribution of less quantities thereof by the Department under "Intensive Food Production Schemes" (Schemes outside the State Plan) owing to gradual taking over of distribution of seeds by National Seeds Corporation and introduction of free sale of fertilisers as decided by Government of India.

|                          |      |              |
|--------------------------|------|--------------|
| 26—Industries—Industries | 4.87 | 1.09<br>(22) |
|--------------------------|------|--------------|

Mainly—

(i) under "35—Industries" due to non-implementation/partial implementation of various development schemes (Rs. 24.53 lakhs), non-payment of compensation for acquisition of land for industrial development

(Rs. 15.98 lakhs), less expenditure on "Administration of the undertaking of the Oriental Gas Company" (Rs. 13.73 lakhs) and transfer of four technological colleges to another department (Rs. 12.32 lakhs) and

- (ii) less investments in co-operative societies (Rs. 29.16 lakhs) and non-payment of compensation for acquisition of (a) premises for a training-cum-production centre (Rs. 4.91 lakhs) and (b) Gas Supply Undertaking of Calcutta (Rs. 10.10 lakhs).

The saving was partly counter-balanced by excess on other items.

| Grant         | Total provision | Saving (and its percentage to the total provision) |
|---------------|-----------------|--|
|               |                 | (In crores of rupees)                              |
| 33 Irrigation | 18.22           | 3.00<br>(16)                                       |

Mainly—

- (i) non-payment to Damodar Valley Corporation of the share of revenue deficit on irrigation and flood control due to non-settlement by Government of India of the outstanding issues relating to the Corporation (Rs. 4,00.00 lakhs), and
- (ii) non-implementation/partial implementation of various agricultural programmes (minor irrigation) under "44—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)—Development Schemes" (Rs. 59.18 lakhs).

The saving was partly counter-balanced by excess on other items.

|  |      |              |
|--|------|--------------|
| 35 Greater Calcutta Development Scheme | 3.50 | 1.42<br>(40) |
|--|------|--------------|

Mainly—

- (i) post-budget decision to implement the schemes "Calcutta Corporation Scheme for augmentation of pumping capacity at Tapsia, Pagladanga, Kulia, Tangra, etc." (Rs. 28.00 lakhs), "Removal of water logging in Calcutta (Strand Road)" (Rs. 14.36 lakhs), "Manicktala Sewerage and Drainage Scheme" (Rs. 5.00 lakhs), and "Installation of pre-treatment units at Palta" (Rs. 5.00 lakhs) by granting loans to the executing agencies,
- (ii) erroneous provisioning under this grant for the scheme "Remodelling of 60" Talla Palta Main" (Rs. 30.00 lakhs),
- (iii) Government of India agreeing to the scheme "Final Design Study for Mass Transit" being undertaken by the Railways out of their own plan outlay (Rs. 18.22 lakhs), and
- (iv) non-completion of necessary survey for the scheme "Tollygunge Drainage and Sewerage Scheme" (Rs. 8.78 lakhs).

| Grant                 | Total provision | Saving (and its percentage to the total provision) |
|-----------------------|-----------------|--|
| (In crores of rupees) |                 |  |
| 33—Family Relief      | 17.48           | 2.45<br>(14)                                       |

Mainly—

- (i) Under "A(1)—Salaries and Establishment—A(1)(h)—Lift irrigation from rivers and b. etc." (Rs. 1,76.27 lakhs); of this, saving of Rs. 94.59 lakhs was due to non-supply of pumps by firms; reasons for the balance saving are awaited,
- (ii) under "A(3)—Miscellaneous—A(3)(i)—Expenditure on Relief Works"—reasons for the saving of Rs. 51.38 lakhs were not furnished; saving of Rs. 14.84 lakhs was due to less demand for funds by district officers, and
- (iii) less payment of grants-in-aid to educational institutions and non materialisation of the scheme for opening cheap canteens in flood-affected districts (Rs. 41.21 lakhs). Reasons for the saving of Rs. 5.38 lakhs have not been furnished.

The saving was partly counter-balanced by excess on other items.

|  |       |              |
|--|-------|--------------|
| 44—Miscellaneous - Other Miscellaneous Expenditure | 11.27 | 1.32<br>(12) |
|--|-------|--------------|

Mainly less expenditure on various schemes (both Plan and non-Plan) due to non-execution of construction works, economy in expenditure, slow progress of work, difficulties in land acquisition, non-payment of land compensation, reduced central assistance, etc.

|  |      |              |
|--|------|--------------|
| 47—Expenditure connected with the National Emergency | 3.88 | 1.25<br>(32) |
|--|------|--------------|

Mainly under—

- (i) "Civil Defence—Air Raid Precautions" due to observance of economy in expenditure, non-occurrence of real emergency and non-purchase of stores for medical relief (Rs. 65.32 lakhs), and
- (ii) "Other Expenditure—Miscellaneous" due to (a) curtailment of expenditure on raising of homeguards and non-receipt of indented arms (Rs. 33.33 lakhs), (b) transfer of expenditure on a re-organised battalion to State police budget (Rs. 28.90 lakhs) and (c) less intensive mobilisation of national volunteer force in aid of police (Rs. 10.65 lakhs).

The saving was partly counter-balanced by excess on other items.

|  |      |              |
|--|------|--------------|
| 48—Capital Outlay on Multipurpose River Schemes - Damodar Valley Project | 5.65 | 1.83<br>(32) |
|--|------|--------------|

Saving occurred under "II—Government's share of Capital Outlay on Damodar Valley Project" (Rs. 1,62.47 lakhs) and "III—D. V. C.—Barrage and Irrigation System" (Rs. 20.39 lakhs). Reasons for bulk of the saving are awaited.

| Grant                             | Total provision | Saving (and its percentage to the total provision) |
|-----------------------------------|-----------------|--|
| (In crores of rupees)             |                 |  |
| 49 Capital Outlay on Public Works | 7.07            | 2.08<br>(29)                                       |

Mainly under—

- (i) "Original Work—Buildings" (Rs. 95.13 lakhs), reasons are awaited,
- (ii) "Development Schemes—Fourth Five-Year Plan—Development of State Roads—Suspense" partly due to issue of more materials from stock and clearance of amount booked under "Miscellaneous Public Works Advances" (Rs. 67.45 lakhs), and
- (iii) "Centrally-sponsored Schemes (New Schemes)" due to less construction work (Rs. 47.15 lakhs). The saving was partly counter-balanced by excess under other heads.

(b) *Charged appropriations*. In the charged appropriations there was a total saving of Rs. 24.77 crores which occurred mainly under the following two appropriations.—

| Appropriation                                | Total appropriation | Saving (and its percentage to the total appropriation) |
|--|---------------------|--|
| (In crores of rupees)                        |                     |  |
| 9) Interest on Debt and Other Obligations .. | 33.04               | 13.26<br>(40)  |

Mainly less payment of interest to Government of India on loans for small savings collections, development projects and Damodar Valley Project and less payment of interest on permanent loans. Reasons for less payment have not been furnished.

|                     |       |               |
|---------------------|-------|---------------|
| Public Debt .. .. . | 91.40 | 11.13<br>(12) |
|---------------------|-------|---------------|

Mainly less repayment of loans received from Government of India for sharing small savings collections, development projects, intensive food production and purchase and distribution of fertilisers. Reasons for less repayment are awaited.

**Unutilised provision due to non-implementation/partial implementation of development schemes**

23 The total unutilised provision for various development schemes (other than Centrally-sponsored and committed portion of earlier plan) during 1968-69 was Rs. 8.48 crores and formed 36 per cent. of the total saving under "Development Schemes". Many of these were actually spill-over schemes from the Third Five-Year Plan and had substantial unutilised provisions during that Plan period and in the previous two years. The major schemes which remained wholly or partially unimplemented during 1968-69 (unutilised provision ranging from 32 per cent.



to 100 per cent. of the provision) are shown in appendix V. The unutilised provision under "Centrally-sponsored Schemes (New Schemes)" excluding the State share of expenditure on such schemes was Rs. 1.99 crores. Many of these schemes were also spill-over of Centrally-sponsored schemes of the earlier Plan period and had substantial unutilised provisions during that period and in the preceding two years. Some of the major schemes under this category (including State share) with substantial unutilised provision during 1968-69 are also shown in appendix V.

24. *Control over expenditure*: (a) The object of control over expenditure in this context is to secure as close an approximation as possible between the actual expenditure and the final grant/appropriation under each sub-head of grant/appropriation; this is done by—

- (i) sanctioning re-appropriations from sub-heads of grants/appropriations where savings are anticipated to other sub-heads in the same grants/appropriations where additional funds are required;
- (ii) obtaining supplementary grants/appropriations wherever necessary;
- (iii) surrender of surplus funds under a sub-head as soon as saving can be foreseen; and
- (iv) taking advances from Contingency Fund for meeting unforeseen requirement of additional funds during the year or for meeting expenditure on a "new service" or "new instrument of service" if it is not possible immediately to obtain supplementary provision by authorisation of the Legislature.

If the control is effective, the actual expenditure would approximate closely to the final modified provision, i.e., the original provision as modified by supplementary provision, re-appropriation and surrender. Cases of excess over voted grant/appropriation, unnecessary, excessive or inadequate supplementary grant/appropriation have been mentioned in paragraphs 18 to 20.

(b) *Surrender of savings*: Savings of Rs. 47.38 crores occurred in fifty-eight cases (thirty-four voted grants and twenty-four charged appropriations) and surrenders of Rs. 42.39 crores were made in fifty-two cases (thirty-three voted grants and nineteen charged appropriations). In seven cases (all voted grants) the surrenders, though made in March 1969, fell substantially short of the savings actually available for surrenders; the total amount surrendered in these cases was Rs. 6.08 crores against the available savings of Rs. 11.49 crores. In eight cases (four voted grants and four charged appropriations) there were savings totalling Rs. 2.12 crores but no amount was surrendered. In seven cases (all voted grants) the total amount surrendered in March 1969 was Rs. 0.31 crore but actually there were excesses totalling Rs. 3.12 crores over these grants.

Although the rules require that the unutilised amounts should be surrendered as soon as the possibility of savings is envisaged, surrenders totalling Rs. 36.00 crores in thirty-eight cases (nineteen voted grants and nineteen charged appropriations) were made in almost all the cases on 31st March 1969, against the available saving of Rs. 33.77 crores in forty-three cases (twenty-three voted grants and twenty charged appropriations).

(c) Important instances of defective control over expenditure in individual group-heads within grants/appropriations have been mentioned in the Appropriation Accounts.

25. *New Service*: With a view to raising State revenues Government decided in November 1968 to introduce 'State Lotteries' for which no provision had been made in the original budget. Rs. 5.06 lakhs for this purpose were provided by reappropriation out of savings in the grant (No. 44) and Rs. 4.81 lakhs were spent during the year. Though the introduction of lotteries was a new activity and should have been treated as a new service, no supplementary grant was obtained.

## CHAPTER III

## Civil Departments

## AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT

26. *Deep tube-well irrigation*: With a view to increasing food production, an expanded programme of minor irrigation was taken up which included sinking of tube-wells, energising them and laying of distributary pipelines. Forty-six exploratory tube-wells were sunk at a cost of Rs. 0.31 crore during May 1958 to January 1963 by Government of India and 1497 tube-wells during first plan period to March 1968 at a cost of Rs. 12.58 crores by State Government. The former were handed over to the State Government between May 1960 and November 1963.

(a) *Exploratory tube-wells*: Out of forty-six tube-wells, four completed at a cost of Rs. 4.64 lakhs were abandoned on account of sinking to lower depths (three) and salinity of water (one). There was delay of more than one year to three years in energising the wells and a further delay of two to nine years in laying the pipe lines for supply of irrigation water as shown below:—

|                              | Extent of delay   |    |    | Number of tube-wells |
|------------------------------|-------------------|----|----|----------------------|
| (i) In energisation—         |                   |    |    |                      |
|                              | More than 3 years | .. | .. | 1                    |
|                              | 2 to 3 years      | .. | .. | 27                   |
|                              | 1 to 2 years      | .. | .. | 10                   |
| (ii) In laying of pipelines— |                   |    |    |                      |
|                              | More than 7 years | .. | .. | 7                    |
|                              | 5 to 7 years      | .. | .. | 13                   |
|                              | 2 to 5 years      | .. | .. | 17                   |

This meant corresponding delay in utilisation of irrigation potential (200 acres per tube-well a year) of the tube-wells.

(b) *Other tube-wells*: There was delay in energising the tube-wells and further delay in laying of pipelines. The position during 1966-68 is shown below:—

| At the end of March | Total number of tube-wells |           |                               |
|---------------------|----------------------------|-----------|-------------------------------|
|                     | Sunk                       | Energised | For which pipelines were laid |
| 1966 .. ..          | 1,384                      | 434       | 264                           |
| 1967 .. ..          | 1,497                      | 724       | 319                           |
| 1968 .. ..          | 1,497                      | 1,057     | 400                           |

(c) (i) The actual area irrigated during 1966-68 by the tube-wells as against the irrigation (200 acres per tube-well) which could have been done had all the wells sunk been functioning is shown below :—

| At the end of March |    |    | Irrigation                                     |  |                                       |
|---------------------|----|----|--|--|---------------------------------------|
|                     |    |    | With reference to number of tube-wells drilled | With reference to number of tube-wells energised and completed in all respects | Actual area irrigated during the year |
|                     |    |    | <i>(In lakhs of acres)</i>                     |  |                                       |
| 1966                | .. | .. | 2.86   | 0.69   | 0.31                                  |
| 1967                | .. | .. | 3.09   | 0.91   | 0.53                                  |
| 1968                | .. | .. | 3.09   | 1.22   | 1.08                                  |

(ii) The running hours of the completed tube-wells in Jalpaiguri district and of the 46 exploratory tube-wells (during 1967-68 and 1968-69) varied from nil to 3583. Out of 76 wells in the district, twenty-three and twenty-two tube-wells did not work at all during 1967-68 and 1968-69 respectively, sixteen and eighteen tube-wells worked for less than 200 hours while eighteen and twenty wells worked 200 to 1,000 hours only in each of these two years.

(iii) According to Government order, no water rate is to be levied and collected for water supplied during the first year and water rate is to be levied and collected for water supplied subsequently. For supply of water from the tube wells no revenue has been collected during 1965-66 to 1967-68 and Rs. 3.46 lakhs have been collected in 1968-69. Calculated at the minimum rate of Rs. 11 per acre for one crop only Rs. 21.08 lakhs were due as irrigation revenue during 1965-66 to 1967-68.

(iv) The tube-wells were sunk throughout West Bengal. Government, however, decided in April 1969 that, in view of the better performance of the shallow tube-wells and the larger capital cost and high cost of maintenance of deep tube-wells (which were a source of great loss to Government), shallow tube-wells would be sunk in areas considered suitable and deep tube-wells only in those areas where shallow tube-wells would not work.

The matter was reported to Government in July 1969; reply is awaited (January 1970).

27. *Workshop at Burdwan*: Machinery costing Rs. 0.48 lakh were purchased in March-May 1966 for a workshop at Burdwan for repairs of vehicles of the office of the Project Executive Officer and Block Development Officer. Possession of the building of the workshop constructed at a cost of Rs. 0.62 lakh was taken over in January 1966; the workshop has not been commissioned (January 1970) due to non-installation of machinery, non-availability of electricity and non-completion of internal wiring for lack of funds.

Technical and other staff for the workshop were appointed in 1964-65 even before purchase of machinery. Rs. 1.01 lakhs were spent on their pay and allowances up to 1968-69. As the workshop has not been commissioned major repairs of vehicles are being carried out through outside firms.

The matter was reported to Government in August 1968 and May 1969; reply is awaited (January 1970).

28. *Import of rock phosphates*: In December 1965 the Director of Agriculture placed an indent for 10,000 tonnes of rock phosphate on the Agricultural Commissioner to Government of India; the allotment was also made in April 1966. Subsequently it was realised that there would be no demand for powdered rock phosphate which is acid-soluble and suitable only for acidic soil. In August 1966 Government of India was requested to cancel the allotment but the latter asked the department to lift about 3,000 tonnes of rock phosphate that was due to arrive at Calcutta Port in December 1966. 3,147 tonnes of fertiliser were received by the department in December 1966 and sold to Messrs. Phosphate & Co. Ltd. in December 1967 at a loss of Rs. 1.15 lakhs. On further request (December 1966) Government of India cancelled the balance allotment. No responsibility for the loss has been fixed (December 1969).

The matter was reported to Government in December 1969; reply is awaited (January 1970).

29. *Avoidable Expenditure*: In November 1965 Government decided to close the office of the Deputy Director of Agriculture, Western Range (Bankura). The Administrative Officer of the office took over charge from the Deputy Director on 1st December 1965 for taking steps to wind up the office.

The office was finally wound up in January 1967. Rs. 0.45 lakh were spent on pay and allowances of the officers and staff and contingencies from December 1965 to December 1966.

The Administrative Officer stated in May 1966 that winding up of the office was almost complete but Government orders on final disposal of records and furniture sought for in November 1965 were awaited.

30. *Publicity Signboards*: To give wide publicity to intensive agricultural programme the department purchased (March-April 1966) 380 pieces of enamel signboards at a cost of Rs. 0.39 lakh. Only 82 pieces were issued (up to October 1969) to different block development officers. 298 pieces costing Rs. 0.30 lakh have been lying unutilised in store since their purchase. The local officer stated (December 1968) that due to prolonged storage the condition of the unused signboards had deteriorated considerably.

The matter was reported to Government in July 1969; reply is (January 1970) awaited.

31. *High-yielding paddy seeds*: With a view to augmenting paddy production in the district of Birbhum 14,293 quintals of paddy seeds of high yielding variety were procured by the department in 1967-68 for Rs. 13.04 lakhs for sale to the cultivators during the kharif season of 1968-69. Out of this only 3,381 quintals of seeds could be sold to cultivators and 9,856 quintals were sold to local rice mills at a loss of Rs. 1.35 lakhs. 1,056 quintals valued at Rs. 1.05 lakhs are still (August 1969) lying undisposed of in different block godowns in the district; of those 578 quintals were treated with chemicals at an extra cost of Rs. 1,156 which rendered it unfit for human consumption and agricultural purposes.

The matter was reported to Government in June 1969; reply is awaited (January 1970).

32 *Fruit Processing Centre*: For processing fruits and vegetables to be sold in the market a fruit processing centre was set up at Barupur in February 1965. A secondary object was to impart training to local people in fruit processing. A building was hired (February 1965) for the factory, some staff appointed between February 1965 and June 1967 and equipment and machinery bought.

The factory, however, could not be started as test report of the tube-well water in the area conducted in December 1967 showed pollution with organic matter making it unsuitable for fruit processing purposes. Rs. 0.51 lakh spent on pay and allowances of the staff (up to December 1968) have proved infructuous; machinery purchased for Rs. 2,500 also remain unutilised.

The centre is still continuing at Barupur (February 1969) on the expectation that filtered water would be available shortly. Matter was referred to Government in March 1969; reply is awaited (January 1970).

33 *Centres for demonstrating water use and management*: Setting up of thirty centres (of five acres each) was sanctioned for demonstrating how by levelling land, making field channels, drainage facilities, etc., irrigation waters are to be utilised. Eighteen centres were set up during 1963-64 and 1964-65 and Rs. 0.75 lakh was spent up to 15th December 1969 on pay and allowances of the staff and contingencies. One jeep (cost Rs. 0.19 lakh) was also acquired in 1965-66 for supervision of work. The 'water-use specialist' of Government of India reported in March 1968 that no work had been taken up. The Project Executive Officer stated in December 1969 that no work could be carried out for want of funds and the staff appointed were being utilised under small irrigation works.

The matter was reported to Government in May 1969; reply is awaited (January 1970).

34 *Agricultural Stores*: Prior to June 1967 agricultural stores such as seeds, manures, insecticides, implements were sold to cultivators through gramsevakas attached to development blocks. In twenty-two blocks stores worth Rs. 4.52 lakhs were either lying with the gramsevakas undisposed of or their sale proceeds were not deposited into treasury (1968-69) from 1958-59 onwards.

Of the defaulting gramsevakas twelve persons against whom Rs. 0.18 lakh was due have since retired/expired or were dismissed from service.

The matter was reported to Government in August 1969; reply is still (January 1970) awaited.

#### COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

35 *Irrecoverable Loan*: Under the Bengal State Aid to Industries Act, 1931 a loan of Rs. 0.38 lakh was paid to a company in March 1950 for manufacture of machinery for cottage industries. The value of the property hypothecated to Government was estimated by the department and certified by the Collector, 24-Parganas, to be Rs. 0.77 lakh. The Director of the company declared that the properties offered as security were free from all encumbrances; it was subsequently found that properties valued at Rs. 0.48 lakh were covered by a decree of the High Court passed in September 1948 in favour of a party. The borrower did not pay a single instalment and Rs. 0.94 lakh (principal Rs. 0.38 lakh and interest Rs. 0.56 lakh at 8 per cent per annum) became recoverable from the company (March 1969).

Government stated (November 1969) that steps had been taken to realise the dues by proceeding against other available properties of the borrower.

## HEALTH DEPARTMENT

36. *Purchase of multivitamin tablets*: A firm quoted two different rates (Rs. 12 and Rs. 14 per 1000 tablets) for supply of multivitamin tablets during 1966-67, certifying that both the varieties were composed of all the ingredients mentioned in the Government catalogue. Purchase of 2.60 crore tablets was made at the higher rate without assigning any reason for rejection of the lower rate. The Health Directorate stated in October 1967 that the lower rate was not accepted as the percentages of the ingredients were not mentioned in the tender. In the tender notice the percentages of the different ingredients were not indicated. No attempt was made to ascertain the percentage of the ingredients of the cheaper tablets before rejecting the lower offer. Had the other variety been purchased, it would have cost Government Rs. 0.62 lakh less.

The matter was reported to Government in June 1968; reply is awaited (January 1970).

37. *Dietary articles*: Irregularities in maintenance of diet registers and overdrawals of diet articles noticed in local audit of the accounts of the Maharaja Jitendranarayan Hospital in Cooch Behar for 1964-65 and 1965-66 were brought to the notice of the department (November 1966) for detailed investigation. Departmental investigation showed (April 1968) that during 1964 to 1966 dietary articles costing over Rs. 0.24 lakh were overdrawn by the ward masters on fictitious demands.

Two employees of the hospital had been suspended and three served with show-cause notices (April 1968). Final decision about fixation of responsibility has not yet (November 1969) been taken by the department.

## HOME (POLICE) DEPARTMENT

38. *Purchase of stores*: In paragraph 36 of Audit Report 1965 mention was made of irregular purchase of stores by splitting up of indents to keep the amount within the financial power of the officer-in-charge in the Police service depot, Calcutta (for repair, maintenance, etc., of police vehicles). The Public Accounts Committee in its Report of 1969 adversely commented on that. In 1968-69 the depot purchased spare parts, tyres, oils, etc., worth Rs. 7.73 lakhs. Of that purchase orders for Rs. 7.24 lakhs were split up, keeping the value of each purchase order within Rs. 1,000 (up to which the officer-in-charge was authorised to make local purchases). Of the total purchases in 1968-69 purchase of spare parts accounted for Rs. 7.11 lakhs. Control by the higher authorities was evaded and Government deprived of the benefit of competitive rates for bulk purchases.

The matter was reported to Government in June 1969; reply is awaited (January 1970).

## DEPARTMENT OF HOUSING

39. *Payment of additional interest*: Due to delay in repayment of instalments of loans obtained from the Life Insurance Corporation between 1960-61 and 1966-67 for various housing schemes Government paid between March 1967 and February 1969 Rs. 0.36 lakh as additional interest (at normal rate on both principal and interest for the period of delay after due dates of payment) to that Corporation. The ways and means position of Government permitted payment of the dues on due dates.

## LAND AND LAND REVENUE DEPARTMENT

40. *Premises acquired but possession not taken immediately*: Two premises in Calcutta were requisitioned in May 1948 at a monthly rent compensation of Rs. 760 for the National Medical Institute. The premises were acquired in March 1966 by Government for construction of staff quarters for employees' State insurance hospital. Compensation of Rs. 3.09 lakhs (out of Rs. 3.19 lakhs) was paid in March 1966 (balance Rs. 0.10 lakh was paid in November 1968); but actual possession of the property was taken over in July 1968 due to non-vacation of the students' hostel by requiring body and holding of M.B.B.S. examination in the mid-August 1966, etc.

Under the Land Acquisition Act when the Collector has made an award, he may take possession of the property which shall thereupon vest absolutely in Government free from all encumbrance. Due to delay in taking over possession Rs. 0.21 lakh had to be paid as rent from March 1966 to June 1968 as the title of the property remained with the owner during the period. The department instructed (November 1969) the Land Acquisition Collector to recover the amount paid in excess to the erstwhile owner.

## PANCHAYAT DEPARTMENT

41. *Appointment of staff*: The West Bengal Panchayat Act, 1957, was not enforced in Asansol sub-division owing to administrative difficulties; nevertheless, the department appointed in 1963-64 an officer, a clerk and a peon in each of the three blocks where no panchayat organisation was set up. Rs. 0.49 lakh were spent on their pay and allowances from 1963-64 to 1967-68. The matter was reported to Government in January 1969; reply is awaited (January 1970).

## REFUGEE RELIEF AND REHABILITATION DEPARTMENT

42. *Outstanding advances*: In paragraph 45 of Audit Report, 1964, mention was made of outstanding cash advances drawn by the Directorate of Refugee Relief and Rehabilitation. The department had assured (November 1966) the Public Accounts Committee that the defaults were being located and persons responsible would be punished. But up to the end of December 1969 the outstandings were Rs. 18.63 lakhs. Yearwise analysis of outstandings could not be obtained. The exact periods during which the advances were paid could not be ascertained as the advance ledgers were incomplete.

The matter was reported to Government in August 1969; reply is awaited (January 1970).

43. *Other Miscellaneous Irregularities, Losses, etc*: In 1968-69 in 629 cases losses due to theft, fire, etc, irrecoverable revenues, duties and advances were written off or recovery waived or ex-gratia payments made. The details are given in appendix VI.



## CHAPTER IV

## Misappropriation, Defalcation etc.

44. *Misappropriations and defalcations*: The following table shows the position of cases of misappropriation of money awaiting final action at the end of 1968-69 :—

|   | Number | Amount<br>(In lakhs<br>of rupees) |
|---|--------|-----------------------------------|
| Cases outstanding at the end of 1967-68 .. .. | 321    | 11.76                             |
| Cases reported during 1968-69 .. ..           | 19     | 3.55                              |
| Cases disposed of during 1968-69 .. ..        | 8      | 0.42                              |
| Cases outstanding at the end of 1968-69 .. .. | 332    | 14.89                             |

Of Rs. 0.42 lakh in eight cases disposed of during the year, Rs. 29,809 (six cases) were recovered and the balance Rs. 11,974 (two cases) were written off.

Of 332 cases outstanding at the end of 1968-69, recovery of Rs. 6.05 lakhs in 193 cases was pending; an analysis of the remaining 139 cases is given below :—

| Number<br>of cases | Amount<br>(In lakhs of rupees) | Remarks'  |
|--------------------|--------------------------------|---|
| 54                 | 5.46                           | Awaiting investigation                          |
| 29                 | 0.81                           | Awaiting orders of write off                    |
| 27                 | 1.75                           | Pending in courts                               |
| 15                 | 0.42                           | Awaiting information about recovery/adjustment  |
| 7                  | 0.24                           | Delay in police and departmental investigations |
| 7                  | 0.16                           | Awaiting action for laxity in supervision etc.  |

Departmentwise analysis of outstanding cases is given in appendix VII.

Particulars of some of the cases are given in paragraphs 45 to 51 below :—

## AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT

| 45. | Particulars  | Remarks   |
|-----|--|---|
|     | The cashier-cum-store-keeper of Mahisadal I block (district Midnapore) absconded on 14th August 1967 with Rs. 58,804 after encashing bills for gratuitous relief and loans. On opening the iron safe on 25th August 1967, it was further noticed that he had also taken away with him unspent amount of Rs. 5,438 kept in the iron safe. | A departmental inquiry revealed :—<br>(i) that the cashier had not furnished any fidelity bond;<br>(ii) that the cash book had not been attested by the block development officer regularly (required under the rules); |

## Particulars

## Remarks

(iii) that both the keys of the iron safe were in the custody of cashier;

(iv) that there was lack of supervision by the block development officer and the head clerk-cum-accountant against whom appropriate action was recommended in addition to the cashier.

The cashier had been placed under suspension from 1st September 1967. A criminal case had been started and the result is awaited (December 1969).

Government stated (December 1969) that the block development officer had been departmentally proceeded against. The Department felt that the head clerk-cum-accountant had little or no responsibility in the matter.

46.

In February 1968 the District Agricultural Officer, Howrah, reported misappropriation of Rs. 13,414 by the cashier of his office. The amount payable to a party outside the State was drawn by the District Agricultural Officer from the treasury on 17th December 1966 in cash, instead of bank draft, against the normal rules. Entries in the bill register and the cash book were interpolated. False entry of payment was made in cash book and the total of the relevant page was corrected under the forged initial of the District Agricultural Officer. The defalcation came to light (after more than one year) when the suppliers reminded for payment (January 1968). Departmental investigation of the case revealed further defalcation of Rs. 14,064 by the same cashier on 2nd November 1965. The amount represented unspent balance of advance of Rs. 1,00,278 drawn by the District Agricultural Officer in March 1965 for purchase of dhaincha seeds. It was shown by the cashier as deposited into the treasury on 2nd November 1965 by making false entries in cash book.

The cases have been reported (February 1968 and February 1969 respectively) to the police and the cashier placed under suspension (February 1968). Government stated in January 1970 that no departmental enquiry has been instituted as the relevant records/documents are under police custody.

## BOARD OF REVENUE

47. *Defalcation of Government money*: For payment of diet and travelling expenses to witnesses in different courts under the Sub-divisional Officer, Lalbagh (district Murshidabad), Rs. 0.45 lakh were drawn in excess of actual requirements and misappropriated between the years 1960-61 and 1966-67. The yearwise break-up is given below :—

| Year    |    |    |       | No. of items | Amount<br>Rs. |
|---------|----|----|-------|--------------|---------------|
| 1960-61 | .. | .. | ..    | 90           | 177           |
| 1961-62 | .. | .. | ..    | 158          | 4,172         |
| 1962-63 | .. | .. | ..    | 306          | 9,864         |
| 1963-64 | .. | .. | ..    | 143          | 2,372         |
| 1964-65 | .. | .. | ..    | 251          | 4,946         |
| 1965-66 | .. | .. | ..    | 298          | 5,927         |
| 1966-67 | .. | .. | ..    | 632          | 16,959        |
|         |    |    | Total | 1,808        | 44,917        |

The matter was reported to police on 3rd April 1967. The modus operandi were :—

- (i) figures in the foils of the bill books were inflated by over-writing ;
- (ii) the original pay orders in the foils were effaced by ink-remover and substituted by pay orders for higher amounts or the space for recording pay order initially left blank and subsequently filled in by inflated figures ;
- (iii) signatures of the trying magistrates were forged in the bills which contained fictitious claims ;
- (iv) in adjustment of the diet and travelling expenses drawn on the authority of manuscript bills passed by the trying magistrates, the bench clerk submitted foils containing inflated and fictitious amounts ;
- (v) bills for diet and travelling expenses were submitted for days on which no witnesses were called for.

The bench clerk and three other persons who worked as nazir during the period have been placed under suspension. The matter is still under investigation (December 1969).

The matter was reported to Government in May 1969 ; reply is awaited (January 1970).

## COMMERCE AND INDUSTRIES DEPARTMENT

## Oriental Gas Company's Undertaking

| 48.   | Particulars   | Remarks |
|---|---|---------|
| On 10th April 1968 a bank-sircar of Oriental Gas Company's Undertaking was sent to the State Bank of India to deposit Rs. 15,769. On his arrival at the bank-counter, the sircar found that Rs. 8,160 were missing. | <p>(1) The case was reported to the police on 10th April 1968 and the sircar was placed under suspension from 25th April 1968. The case is under police investigation (November 1969). No departmental investigation has been conducted as yet.</p> <p>(2) As the sircar was covered by cash-in-transit insurance policy, necessary claim for the loss was preferred with the Life Insurance Corporation of India (April 1968); the claim is yet to be settled (November 1969).</p> <p>(3) Although the sircar handled almost Rs. 0.60 lakh in cash per day, no security deposit was obtained from him.</p> |         |

## DEPARTMENT OF FOOD AND SUPPLIES

49. *Misappropriation* : A test audit of the accounts of the Sub-divisional Controller of Food and Supplies, A ansol, for the period February 1966 to November 1968 conducted in December 1968 disclosed misappropriation of Rs. 10,424. Departmental investigation subsequently held at the instance of audit brought to light (in May 1969) total misappropriation of Rs. 66,434 as follows :

- (a) Bills for Rs. 33,270 drawn from the treasury between February 1966 and December 1968 were entered neither in the bill register nor in the cash book.
- (b) Rs. 22,700 were defalcated between September 1966 and November 1968 by drawing amounts from the treasury in excess of those entered in the cash book and the office copies of the bills.
- (c) Pay and allowances of two inspectors for April 1967 to November 1968 (Rs. 9,674) were shown as disbursed to them even after they had left the department on deputation (December 1966 and January 1967) and last pay certificates had been issued.
- (d) Rs. 500 were drawn in excess by inflating the total amount of a bill.
- (e) Rs. 190 drawn in September 1968 were shown to have been paid against a stamped receipt which the payee did not acknowledge to have signed.
- (f) Rs. 100 were found short on physical verification of the cash balance in January 1967.

The Nazir was placed under suspension in January 1969. The matter was reported to the police in December 1968 and is under investigation.

## IRRIGATION AND WATERWAYS DEPARTMENT

50. *Misappropriation of money*: On 27th September 1968 a cheque for Rs. 14.58 was issued by the Central Mechanical Division to a contractor for supply of three dynamo belts. The cheque was cleared on 17th October 1968 through the United Commercial Bank and the Reserve Bank of India, Calcutta and was included in the bank scroll for October 1968 which was received by the Division on 16th November 1968. In course of checking of the bank scroll on 15th February 1969 by the Executive Engineer it was detected that the amount of the cheque had been forged and inflated to Rs. 1,48,585.42.

The matter is under investigation and further report is awaited (January 1970).

## REFUGEE RELIEF AND REHABILITATION DEPARTMENT

| 51.   | Particulars   | Remarks  |
|---|---|--|
| On 7th October 1968 the caretaker-cum-rent collector of Poddar Park tenement scheme voluntarily confessed having misappropriated Rs. 38,322 on account of rent realised (between June 1960 and October 1968) but not deposited into treasury. The matter was reported to police in November 1968, but the caretaker who had absconded remained untraced (January 1970). The modus operandi were that the amount of rent realised and the period to which it pertained were altered in the carbon copy of receipt book prepared later and less amount was posted in the cash book and the rent ledger. | In successive inspection reports (from February 1965 onwards) on the accounts of Refugee Relief and Rehabilitation Department for the period since 1st February 1965, the following irregularities were brought to the notice of Government:— | <ul style="list-style-type: none"> <li>(i) overwritings and alterations in the carbon copies of rent receipts (of period and amount of collections);</li> <li>(ii) delay in deposit of rent collection into treasury;</li> <li>(iii) increase in outstanding rents from year to year—Rs. 41,134 at the end of January 1966, Rs. 66,687 at the end of January 1967 and Rs. 95,202 at the end of January 1968;</li> <li>(iv) defective maintenance of rent ledgers.</li> </ul> |

The case is under police investigation (November 1968). The result of the departmental enquiry undertaken in November 1968 is awaited (January 1970).

## CHAPTER V

## Works Expenditure

52. *Review of works expenditure: (a) Want of estimates or expenditure in excess of estimates:* According to rules, no work shall be commenced or liabilities incurred until a detailed estimate has been sanctioned. Also, when the total expenditure on a work is likely to exceed the sanctioned estimate by more than 5 per cent., a revised estimate has to be sanctioned. In a number of cases, given below, expenditure on works was incurred either without sanctioned estimates or in excess of sanctioned estimates—

| Departments                              | Expenditure incurred without sanctioned estimate |                              | Expenditure incurred on works more than 5 p. c. in excess of sanctioned estimate |                              |
|--|--|------------------------------|--|------------------------------|
|  | Number of works                                  | Expenditure up to March 1969 | Number of works  | Expenditure up to March 1969 |
|  | (In crores of rupees)                            |                              |  |                              |
| Agriculture and Community Development .. | 374  | 7.41                         | ..   | ..                           |
| Development and Planning .. ..           | 16   | 0.86                         | ..   | ..                           |
| Health .. .. .                           | 44   | 2.81                         | ..   | ..                           |
| Housing .. .. .                          | 54   | 0.85                         | ..   | ..                           |
| Irrigation and Waterways .. ..           | 1,381  | 24.65                        | 90   | 1.96                         |
| Public Works .. .. .                     | 732  | 10.16                        | ..   | ..                           |
| Public Works (Construction Board) ..     | 133  | 1.44                         | ..   | ..                           |
| Public Works (Roads) .. .. .             | 67   | 1.08                         | ..   | ..                           |
| Public Works (Special Roads) .. ..       | 19   | 0.68                         | ..   | ..                           |
| <b>Total .. .. .</b>                     | <b>2,820</b>                                     | <b>49.94</b>                 | <b>90</b>  | <b>1.96</b>                  |

These include ten important works of Kangsabati project of which six works (total expenditure : Rs. 8.27 crores up to 31st March 1969) detailed in appendix VIII(A) were taken up without sanctioned estimates and on the other four works expenditure exceeded the sanctioned estimates by more than 50 per cent. as shown in appendix VIII(B).

(b) Vouchers not furnished : Vouchers for Rs. 1.76 crores were not made available to Audit. Department-wise and year-wise analysis of the vouchers not furnished are given in appendix VIII(C).

## DEPARTMENT OF HEALTH

53. *Tube-well material:* For sinking tube-wells (1½" dia.) in three districts material worth Rs. 1.11 lakhs was issued in 1960-61 from Government stock to a contractor who had a fixed deposit of Rs. 2,500 only with the department. While the work in two districts was partly done, that in the third district was not executed at all.

Unused material worth Rs. 0.32 lakh has remained with the contractor since 1960-61.

The matter was brought to the notice of Government in November 1962; no recovery has been made (September 1969).

54. *Borehole pumps*: Five borehole pumps of 22,000 G. P. H. capacity each with discharge head of 80 ft. were purchased (September 1965) for the Garden Reach water-supply remodelling scheme. Three of them valued at Rs. 0.28 lakh could not be installed as the tube-wells sunk required pumps of different capacity with greater discharge head. These are lying (September 1969) unutilised.

#### IRRIGATION AND WATERWAYS DEPARTMENT

55. *Excavation of a canal*: In 1961-62 and 1962-63 (excavation of two portions of a canal (Ch. 185 to 202 and Ch. 170 to 176) of Kangsabati project was awarded to two contractors at 7.51 per cent. below the estimated costs (Rs. 6.67 lakhs and Rs. 4.42 lakhs respectively). The total quantities of seven kinds of soils and rocks excavation were estimated to be 62.45 lakh c.ft. and 45.33 lakh c.ft. respectively. Excavation of the top soils of a portion of the latter chainage (Ch. 170 to 176) had been awarded to a contractor in 1960-61 (the work was completed by him in June 1962) but this portion was not excluded from the estimate while tendering the work in 1962-63.

The actual excavation showed wide variation between the estimated quantities and the quantities excavated by the two contractors. Out of seven items the shortfall from the estimated quantities in five items in Ch. 185 to 202 ranged between 76 per cent. and 100 per cent. and in six items in Ch. 170 to 176 between 90 per cent. and 100 per cent.

After excavating 31.28 lakh c.ft. (for Rs. 3.47 lakhs) in Ch. 185 to 202 the contractor (1961-62 contract) who had excavated 6 per cent. over the estimated quantity of "weathered rock or hard laterite" refused (April 1966) to excavate any further on the ground that no hard rock was found on the surface. The second contractor (1962-63 contract) after excavating 12.78 lakh c.ft. (for Rs. 1.61 lakhs) in Ch. 170 to 176 stopped work (July 1964) on the ground that some excavation had been done by the previous contractor (1960-61 contract). It was decided to pay the contractors (1961-62 and 1962-63 contracts) finally and the remaining work was awarded to three other contractors at higher rates (11 per cent., 13.75 per cent. and 20 per cent. over the estimated rates) in 1966 with slight change in the nomenclature of certain items.

Up to April 1969 the excavation showed shortfall in five items (76 per cent. to 100 per cent.) in Ch. 185 to 202 and six items (29 per cent. to 100 per cent.) in Ch. 170 to 176 from the estimated quantities and excess in two items (20 per cent. and 81 per cent.) in the former chainage and in one item (157 per cent.) in the latter chainage over the estimated quantities.

Had the estimated quantities of the various items of work been fairly correct, Government could have saved Rs. 4.52 lakhs (computed with reference to the rates of the contractors of the two contracts of 1961-62 and 1962-63).

The work has not yet been completed (February 1970).

56. *Foundation excavation of regulator at Kumari dam*: Foundation excavation of the right bank head regulator at Ch. 99.86 of Kumari dam of Kangsabati project was entrusted to a contractor in March 1967 at 25.28 per cent. below the estimated

cost. The site for foundation was shifted after excavation work (86 per cent.) valued at Rs. 0.87 lakh was done up to June 1968 and the work in the changed site was awarded (April 1968) to a new contractor at 13.13 per cent. below the estimated cost. The abandonment of the work also resulted in the abandonment of work in right bank main canal between Ch. 0 and Ch. 5 (Rs. 1.34 lakhs actually spent) and approach channel between Ch. 0 and Ch. 6 (Rs. 0.26 lakh actually spent).

The matter was reported to Government in July 1969; reply is awaited (January 1970).

57. *Extra expenditure*: For the work "annual repairs to Howrah drainage channel for 1964-65", the lowest tenders in the first and second calls at 39.76 per cent. below the original estimate of Rs. 0.55 lakh and 32.75 per cent. below the revised estimate of Rs. 0.60 lakh respectively were rejected on the apprehension that at such low rates no satisfactory work was possible.

The lowest tender in the third call at 1 per cent. below the second revised estimate of Rs. 0.64 lakh was accepted (June 1965) resulting in an extra expenditure of Rs. 0.26 lakh (actual cost of the work: Rs. 0.67 lakh).

The lowest tenderer in the first call was an enlisted contractor who had executed according to specification another work (for Rs. 0.70 lakh) at 39.76 per cent. below the estimated cost in the same year.

58. *A dragline*: For overhauling and repairing a dragline a firm was consulted in June 1964 and its estimate for the job was Rs. 0.63 lakh only. The work was taken up departmentally in June 1965 at an estimated cost of Rs. 0.49 lakh. The work is yet to be completed and Rs. 2.08 lakhs have been spent thereon up to January 1970.

### Kangsabati Project

59. *Extra-expenditure*: Instances where contracts were finalised though works remained incomplete are given below:—

| Sl. No.  | Statement A            |                            |                   |                            |
|--|------------------------|----------------------------|-------------------|----------------------------|
|  | Tendered value of work | Tendered quantity of work  | As per final bill |                            |
|  |                        |                            | Value of work     | Quantity of work           |
| Rs.  |                        | Rs.                        |                   |                            |
| 1. Bankura Irrigation Division: Tender No. 19(K) of 1962-63 (excavation of Bishnupur branch canal Ch. 117.70 to Ch. 280.00 right side from the centre line) .. | 8,53,434               | Total<br>1,05,00,000 c.ft. | 8,79,164          | Total<br>90,47,879 c.ft.   |
| 2. Tender No. 20(K) of 1962-63 (excavation of Bishnupur branch canal Ch. 117.70 to Ch. 280.00 left side from the centre line) ..                               | 8,53,434               | Total<br>1,05,00,000 c.ft. | 8,54,184          | Total<br>92,01,492 c.ft.   |
| 3. Tender No. 90 of 1964-65 (excavation and filling work of Bishnupur branch canal from Ch. 280 to Ch. 405) ..   | 12,00,360              | Total<br>5,37,250 cu.m.    | 12,78,364         | Total<br>4,58,268.76 cu.m. |
| 4. Tender No. 25/KCIII of 1964-65 (excavation of Bishnupur branch canal from Ch. 1087 to Ch. 1152) ..  | 2,30,100               | Total<br>97,073 cu.m.      | 2,35,052          | Total<br>78,809 cu.m.      |



The contractors had represented that the value of work actually done by them was more than the tendered value and, therefore, they should not be required to execute more work. This had been accepted by the department and the contracts terminated (without imposing any penalty).

Such incomplete works were subsequently awarded to other contractors at higher rates which resulted in extra expenditure to the department as shown below:—

| Statement B |   |   |   |  |                   |
|-------------|---|---|---|--|-------------------|
| Sl. No.     | Subsequent tenders for remaining works  | As per running account bill noted                       |   | Value of work done calculated at the rate of the original tender | Extra expenditure |
|             |   | Work done   | Amount paid                                   |  |                   |
|             |   |   | Rs.   | Rs.  | Rs.               |
| 1.          | Tender No. 72 of 1967-68 (remaining work against sl. no. 1 of statement A)                            | Total 43,930.98 cu.m. (up to 12th running account bill) | 1,70,172 (including additional lead and lift) | 1,31,624   | 38,548            |
| 2.          | Tender No. 13 of 1968-69 (remaining work against sl. no. 2 of statement A)                            | Total 65,088.07 cu.m. (up to 11th running account bill) | 2,07,017 (including additional lead and lift) | 1,50,707   | 56,310            |
| 3.          | Tender No. 68 of 1967-68 (remaining work against sl. no. 3 of statement A)                            | Total 88,248.45 cu.m. (up to 10th running account bill) | 6,56,374 (including additional lead and lift) | 3,49,918   | 3,06,456          |
| 4.          | Remaining work against sl. no. 4 of statement A was distributed amongst 5 tenders at Rate Board rate— |   |   |  |                   |
|             | (i) No. 65 of 1968-69 ..  | 3,914.78 cu.m. (up to 5th running account bill)         | 19,408  | 1,08,285   | 77,985            |
|             | (ii) No. 66 of 1968-69  | 5,285.23 cu.m. (up to 5th running account bill)         | 38,011  |  |                   |
|             | (iii) No. 69 of 1968-69   | 8,082.34 cu.m. (up to 5th running account bill)         | 43,486  |  |                   |
|             | (iv) No. 70 of 1968-69  | 7,378.52 cu.m. (up to 3rd running account bill)         | 47,512  |  |                   |
|             | (v) No. 64 of 1968-69 ..  | 21,364.76 cu.m. (up to 4th running account bill)        | 37,853  |  |                   |
|             |   |   | 1,86,270                                      |  |                   |
|             | Total ..  |   |   |  | 4,79,290          |

The extra expenditure towards completion of the remaining works (work in progress) was Rs. 4.79 lakhs (July 1969).

60. *Loss of stone materials*: (a) In Kangabati project, 3,31,952 c.ft. of stone materials, valued at Rs. 0.33 lakh, stacked by the excavation contractor on the left berm of tail channel in violation of terms of contracts, were washed away by the discharge of excess reservoir water through tail channel in July and August 1968. The incidents were reported by the Executive Engineer to the higher authority in November 1968 and loss was attributed to natural calamity.

The matter was reported to Government in July 1969; reply is awaited (January 1970).

(b) For construction work of Kumari dam in Kangsubati project, stone materials were collected by one division of the project through the working contractors of another division. Receipts, issues and balances of materials could not be verified by Audit in the absence of proper accounts.

On remeasurement of stacks by the receiving division in July 1969, 5.56 lakh c.ft. of stone materials were found short, resulting in a loss of Rs. 1.72 lakhs (value of the materials: Rs. 0.55 lakh, minimum carriage cost paid: Rs. 1.17 lakhs).

Responsibility for the loss has not been fixed (January 1970).

The matter was reported to Government in July 1969; reply is awaited (January 1970).

61. *Avoidable expenditure*: In 1964-65 the work of canal lining of Supur main canal from chains 203 to 253 was awarded to a contractor with a stipulation in the contract that excavation of all categories of soil, if required to be done to bring the canal to the desired profile to make it ready for lining, would have to be done by the contractor at rates approved by the Rate Board for canal excavation for that year.

The Department, however, allotted the excavation work to the lining contractor at Rate Board rates of subsequent years (which were higher than the approved 1964-65 rates) resulting in avoidable expenditure of Rs. 0.26 lakh.

The matter was reported to Government in July 1969; reply is awaited (January 1970).

62. *Infructuous expenditure*: The irrigation project at Moheshpur in Midnapore district, the estimated cost of which was Rs. 0.87 lakh, was abandoned (June 1967) after construction of sluice and excavation of outer channel at a total cost of Rs. 0.50 lakh as the public opposed excavation of the inner channel along the alignment fixed by the division.

The matter was reported to Government (February 1968); reply is awaited (January 1970).

## PUBLIC WORKS DEPARTMENT

63. *Earthcutting Machines*: Ten earthcutting machines were purchased in 1950-51 by the Kalyani Division for Rs. 12.11 lakhs for constructing the Kalyani Township. Up to 1957-58 Rs. 20.48 lakhs were spent on their maintenance. Since six of the machines were considered surplus, the Chief Engineer had proposed in September 1957 to transfer them to another directorate. The proposal was not, however, implemented. The maintenance expenditure during 1958-59 to 1968-69 was Rs. 25.24 lakhs as detailed below :—

| <i>(Rupees in lakhs)</i>  |    |    |    |       |
|---|----|----|----|-------|
| Spare parts   | -- | .. | -- | 11.45 |
| Fuel  | -- | .. | -- | 5.40  |
| Emoluments of the company's staff<br>(maintenance entrusted to a private<br>firm) |    |    |    | 3.59  |
| Work charged staff's salary   |    | .. |    | 4.80  |

According to the Department, a machine should work on an average for 120 hours a month. The actual hours worked by the machines during the periods from 1951-52 to 1957-58 and 1958-59 to 1968-69 are shown below :—

| Period                  |    |    | Available hours at<br>120 hours per machine<br>per month | Actual hours for<br>which the ten mach-<br>ines worked |
|-------------------------|----|----|--|--|
| <i>(Lakhs of hours)</i> |    |    |  |  |
| 1951-52 to 1957-58      | .. | .. | 1.00   | 0.59   |
| 1958-59 to 1968-69      | .. | .. | 1.42   | 0.46   |

Three machines were temporarily lent out for a total period of two years. Hire charges amounting to Rs. 62,745 on this account are yet to be realised (November 1969).

The work done by the ten machines working for 1.05 lakh hours during 1951-52 to 1968-69 could have been done by four machines. The maintenance of six machines in excess of requirements resulted in extra expenditure of about Rs. 27.43 lakhs.

**PUBLIC WORKS (CONSTRUCTION BOARD) DEPARTMENT**

64. *Procurement of cast iron pipes*: For the Kona Township Water Supply scheme (neither administratively approved nor technically sanctioned) 14,000 r.ft. of cast iron soil and spun pipes worth Rs. 5.61 lakhs were procured (August 1966) from Resources and Mechanical Division which could not be utilised as the scheme was kept in abeyance. Moreover, the pipes were found unsuitable for the scheme and their disposal by public auction was under consideration (June 1969); Rs.0.14 lakh were spent up to March 1969 on watch and ward of the pipes.

It was brought to the notice of Government (July 1968); reply is awaited (January 1970).

**PUBLIC WORKS (ROADS) DEPARTMENT**

65. *Premature collection of road metals*: Upgrading of the Haroa-Ranigach<sup>h</sup> road (estimated cost: Rs. 2 lakhs) taken up in November 1959 was suspended in July 1960 due to intermittent damages caused to the road by overflow of water from a breach in the bundh along the river Vidyadhari. The work could not be resumed since the Irrigation and Waterways Department could not repair the breach. Meanwhile, an estimate for Rs. 1.22 lakhs was sanctioned in August 1960 for collection of bricks and bats and up to July 1961 materials worth Rs. 1.32 lakhs were procured of which those worth Rs. 0.85 lakh could not be utilised and as there was no possibility of utilising them economically, a proposal for their disposal (last physically verified in August 1968) by public auction was under consideration (August 1969).

The matter was reported to Government (August 1969); reply is awaited (January 1970).

## CHAPTER VI

## Stores and Stock Accounts

66. *Stores and stock accounts*: I(a) A synopsis of important stores accounts for 1968-69 which have been received is given below:—

| Department                  | Stores   | Opening balance | Receipts during the year | Issues during the year | Closing balance |
|-----------------------------|--|-----------------|--------------------------|------------------------|-----------------|
| <i>(In lakhs of rupees)</i> |  |                 |                          |                        |                 |
| <b>Health—</b>              |  |                 |                          |                        |                 |
| Kanchrapara T. B. Hospital  | Instruments, appliances, medicines, drugs, beddings, clothings, etc.           | 3.99            | 5.76                     | 6.27                   | 3.48            |
| <b>Health—</b>              |  |                 |                          |                        |                 |
| Central Medical Stores      | Instruments, appliances, drugs, dressings, beddings, clothings, crockery, etc. | 59.25           | 267.41                   | 289.24                 | 37.42           |

The figures do not include value of stores held in district and sub-divisional reserve stores as their store accounts were not received by the Central Medical Stores. 368 items of stores valued at Rs. 0.70 lakh were lying unissued since 1958-59.

|                          |                                       |        |        |        |        |
|--------------------------|---------------------------------------|--------|--------|--------|--------|
| Irrigation and Waterways | Small stores, building materials etc. | 179.22 | 103.03 | 94.88  | 187.37 |
| Public Works             | .. Ditto ..                           | 171.43 | 212.02 | 253.04 | 130.41 |
| Public Works (Roads)     | .. Ditto ..                           | 75.64  | 102.06 | 116.47 | 61.23  |

(b) The stores and stock accounts of the following non-Public Works departments are in arrears though according to the orders of Government the accounts are required to be submitted to Audit by 5th September each year—

| Serial No.  | Department                                      | Year of account    |
|---|---|--------------------|
| <b>(1) Information and Public Relations—</b>                                      |   |                    |
| (e)   | Publicity Branch-Excluding Distribution Section | .. 1965-66 onwards |
| (e)   | Publicity Branch-Distribution Section ..        | .. 1966-67 onwards |
| <b>(2) Agriculture and Community Development—Intensive Food Production Scheme</b> |   |                    |
|   |   | 1967-68 onwards    |
| <b>(3) Health—Principal State Hospitals</b>                                       |   |                    |
|   | ..  | .. 1965-66 onwards |
| <b>(4) West Bengal Government Press, Alipore</b>                                  |   |                    |
|   | ..  | .. 1967-68         |

II. Public Works stock : From the information furnished by divisional officers the following came to notice of Audit :—

A. (i) Excess over reserve stock limits : In the following divisions the value of stocks was in excess of the sanctioned limits for considerable period as shown below :—

| Department               | Division                    | Year from which excess persists | Amount of excess stock on 31st March 1969 | Sanctioned stock limit |
|--------------------------|-----------------------------|---------------------------------|---|------------------------|
| (In lakhs of rupees)     |                             |                                 |   |                        |
| Irrigation and Waterways | Lower Damodar Irrigation    | .. 1965-66                      | 4.59                                      | 0.15                   |
|                          | East Midnapore Division     | .. 1965-66                      | 0.73                                      | 1.00                   |
|                          | Kangsabati Canals           | .. 1965-66                      | 7.51                                      | 6.50                   |
| Public Works             | .. Darjeeling Division      | .. 1958-59                      | 8.50                                      | 4.00                   |
| Public Works (Roads)     | .. Cooch Behar Construction | .. 1965-66                      | 0.98                                      | 6.00                   |

(ii) In paragraph 98 of the Audit Report 1966 mention was made of excess and idle stock of the Kangsabati Mechanical Division. After regularisation of excesses up to 1965-66, the balance at the end of March 1969 was Rs. 103.86 lakhs (Rs. 25.86 lakhs more than the prescribed stock limit).

243 items of tyres and tubes worth Rs. 5.36 lakhs had not been issued for more than three years.

B. Stock registers and stock verification: Register of stock in a Public Works division is required to be closed at the end of each year and reviewed by the divisional officer to ensure that the stock consists only of necessary and serviceable articles and that the stores are priced within the prevailing market rates.

In the following cases closing of stock registers is in arrears for long :—

| Department               | Division              | Year from which stock registers have not been closed |
|--------------------------|-----------------------|--|
| Public Works             | .. Darjeeling .. ..   | .. 1964-65   |
| Irrigation and Waterways | Kangsabati Canals II  | .. 1962-63   |
| Irrigation and Waterways | Kangsabati Mechanical | .. 1966-67   |

## CHAPTER VII

## Revenue Receipts

## AGRICULTURE AND COMMUNITY DEVELOPMENT DEPARTMENT

67. *Outstanding house rent and water charges*: (a) Till August 1969, rent of twenty quarters under the administrative control of a Block Development Officer amounting to Rs. 0.95 lakh (Rs. 0.42 lakh from Government servants and Rs. 0.53 lakh from Government Departments) was outstanding. The dues related to the years 1957-58 to 1969-70 (up to August 1969). It was stated by the Block Development Officer that though demands through rent rolls were sent to the respective drawing and disbursing officers, no recovery was reported by them.

(b) According to orders issued by Government in August 1968, water charges were recoverable at different rates per tap with effect from 1st September 1965. No charges were realised for forty taps in quarters used for residential purposes and eight taps in quarters used for office purposes and water charges outstanding on this account for the period from September 1965 to August 1969 amounted to Rs. 0.13 lakh (Rs. 0.11 lakh from Government servants and Rs. 0.02 lakh from Government Departments). The Block Development Officer stated that the matter was under consideration of the Department (October 1969).

The matter was reported to Government (January 1968 and November 1969); reply is awaited (January 1970).

## FINANCE DEPARTMENT

68. (a) *Arrears of Agricultural Income Tax*: Under the Bengal Agricultural Income Tax Act, 1944, tax is payable for each financial year by a person in respect of agricultural income derived from land, in the previous year. According to information furnished by the Department, Rs. 1,32.86 lakhs were in arrears at the end of 1967-68 on this account. Of this, a sum of Rs. 78.37 lakhs related to periods more than three years old, the oldest cases dating back to 1944-45. The arrears outstanding at the beginning and end of each of the four years 1964-65 to 1967-68 as also the demands and collections made during these years, are given below:—

| Year                 | Arrears outstanding at the beginning of the year | Amounts reduced in appeal/written off | Collection made against outstanding dues | Demand during the year | Collection made against current demand including adjustment of un-adjusted advances | Balance outstanding at the end of the year | Percentage of collection to demand |    |
|----------------------|--|---------------------------------------|--|------------------------|---|--|------------------------------------|----|
| (In lakhs of rupees) |  |                                       |  |                        |   |  |                                    |    |
| 1964-65              | ..   | 106.30                                | 0.61                                     | 12.03                  | 92.70   | 70.46                                      | 115.90                             | 42 |
| 1965-66              | ..   | 115.90                                | 2.00(A)                                  | 13.86                  | 122.65  | 102.44                                     | 120.25                             | 50 |
| 1966-67              | ..   | 120.25                                | 2.78(A)                                  | 17.53                  | 118.20  | 80.15                                      | 128.99                             | 46 |
| 1967-68              | ..   | 128.99                                | 2.26(A)                                  | 19.02                  | 155.21  | 130.06                                     | 132.86                             | 53 |

(A) Includes a total sum of Rs. 0.14 lakh on account of amounts written off.

An analysis, as indicated below, of the arrears at the end of 1967-68, has been furnished by Government :—

|   |    |    | (Rupees in lakhs) |
|---|----|----|-------------------|
| (a) Covered by certificate proceedings                    | .. | .. | 69.91             |
| (b) Under judicial review                                 | .. | .. | 8.18              |
| (c) Adjustable against compensation money                 | .. | .. | 3.44              |
| (d) Stayed by various authorities                         | .. | .. | 4.06              |
| (e) Demands set aside and unrealisable till re assessment | .. | .. | 4.99              |
| (f) Unencumbered outstanding dues                         | .. | .. | 42.28             |

(b) *Cost of collection* : The cost of collection is shown below :—

| Year                 | Gross collection | Expenditure incurred on collection <sup>1</sup> | Percentage |
|----------------------|------------------|---|------------|
| (In lakhs of rupees) |                  |   |            |
| 1964-65              | .. 82.49         | 6.77  | 8          |
| 1965-66              | .. 116.30        | 7.11  | 6          |
| 1966-67              | .. 106.68        | 7.44  | 7          |
| 1967-68              | .. 149.08        | 8.67  | 6          |

#### LOCAL SELF-GOVERNMENT DEPARTMENT

69. *Loss of revenue due to delay in issuing licence* : The West Bengal Fire & Services Act, 1950, provides for licensing of warehouses and lays down that a licence should be issued within 30 days from the receipt of application for licence. The licence fee is payable in advance and there is no provision in the Act for realisation of arrear licence fee if the licence is not issued within the stipulated period.

In one licensing office it was noticed that in many cases licences were issued not only after the expiry of the stipulated time but also after the expiry of the period for which the licences were applied for and in some cases applications were held up for more than three years, resulting in loss of considerable revenue to the Government (exact amount could not be worked out as Demand Register was not properly maintained). Two such cases are cited below by way of illustration :—

(a) One jute mill applied on 25th April 1964 for renewal of licence for the year 1964-65 without depositing licence fee at the old rate as required under the law. The licence fee was assessed at Rs. 7,950 and the demand notice was sent as late as in July 1966 and September 1966 after the mill had closed down (October 1965). The licence fee of Rs. 15,900 (for 1964-65 and 1965-66 at the rate of Rs. 7,950 per year) could not be realised due to delay in assessment.

(b) Application for licence was received on 15th October 1965 from another Jute mill for the years 1964 and 1965 together with four plans. After inspection in November 1965, two plans were returned to the applicant on 21st March 1966 and on the same date another application, enclosing fresh plan, for licence for the years 1959 to 1963 was submitted by the same applicant.



The Fire Protection Officer was directed on 23rd March 1966 to inspect the premises, but the inspection was conducted on 17th August 1966 after the mill had closed down (20th June 1966). Licence fee for the entire period from January 1969 to December 1965 was, however, assessed at Rs. 36,690. A demand notice was sent on 27th March 1968 which was returned by the postal department undelivered. The amount could not be realised.

Government stated (September 1969) that the licence cases cannot be finalised within thirty days and they are taking steps to amend the Act with retrospective effect.

### PUBLIC WORKS DEPARTMENT

70. *Arrears of licence fees*: Up to 1966-67 the Chief Presidency Magistrate, Calcutta, issued licences to eighteen stall-holders in the compound of his court. As these stalls were borne on the books of the Public Works Department, that Department, in terms of the West Bengal Government Estates Manual, 1953, directed the Public Works Directorate in February 1967 to take over administrative control, including allotment, of these stalls from the Chief Presidency Magistrate, Calcutta, and the Judicial Department was informed accordingly.

The tenure of the licences issued by the Chief Presidency Magistrate, Calcutta, expired in March 1967. No action has so far been taken (April 1969) by the Public Works Directorate for renewal of the licences, realisation of the licence fees from seventeen stall-holders and allotment of one stall which is lying vacant from February 1967. At the monthly licence fees of Rs. 927-66 realisable from the eighteen stalls (as assessed by the Department), the total amount of unrealised licence fees from April 1967 to March 1969 worked out to Rs. 0.22 lakh.

The matter was referred to Government in July 1969; reply is awaited (January 1970).

## CHAPTER VIII

## Financial Assistance to Local Bodies, Co-operative Institutions and others

## Section II—OTHERS

## EDUCATION DEPARTMENT

71. *Grants to a polytechnic*: Between 1963-64 and 1965-66 Rs. 11.50 lakhs were paid as grant to a polytechnic for purchase of equipments. Up to January 1969 equipments were purchased for Rs. 7.12 lakhs and Rs. 2.34 lakhs were spent on construction of buildings. Non-purchase of more equipment was attributed to lack of accommodation. Neither the unspent balance of Rs. 2.04 lakhs has been refunded nor the diversion of Rs. 2.34 lakhs for other purposes got approved by Government.

The matter was reported to Government in June 1969; reply is awaited (January 1970).

72. *Utilisation of Grants-in-aid*: In January 1961 capital grants of Rs. 8.97 lakhs and Rs. 3.75 lakhs were sanctioned to an educational society for construction of buildings for a polytechnic and a junior technical school on the conditions that (1) the plans and estimates for the construction were to be drawn up by the society in consultation with the Chief Inspector of Technical Education and (2) construction of the buildings was to be done under the supervision of the Chief Engineer, Construction Board.

A test check of the accounts of the society showed that:—

- (a) Rs. 4 lakhs and Rs. 3 lakhs were paid by the department in February 1961 and March 1962 respectively; estimates of the works were, however, approved by the Construction Board in March 1965. A lump sum contract was given in May 1962 to a contractor without inviting tenders. The society stated that it was not aware of any rule that itemwise contract was to be given and the department stated that they had nothing further to comment.
- (b) Instead of utilising the grant expeditiously the society kept Rs. 7 lakhs as fixed deposit with a private bank and earned Rs. 0.57 lakh as interest. The department neither set off the amount against any grants to the society nor recovered it from them.
- (c) Contrary to the conditions of the grant Rs. 5.16 lakhs were paid to the contractor up to February 1965 before any inspection was done by the Chief Engineer, Construction Board.
- (d) The buildings have been completed at a cost of Rs. 14.29 lakhs excluding fittings and fixtures out of which Government paid Rs. 12.82 lakhs as grant.
- (e) The matter was reported to Government (June 1967); reply is still (January 1970) awaited.

## CHAPTER IX

## Government Commercial and Trading Activities

## Section I—GENERAL

73. This Chapter deals with the audit of (i) Statutory Corporations/Board, (ii) Government companies and (iii) Departmentally managed Government undertakings.

## SECTION II—STATUTORY CORPORATIONS/BOARD

74. There were four Statutory Corporations and one Board in the State as on 31st March 1969 as detailed below :—

- (1) Calcutta State Transport Corporation,
- (2) North Bengal State Transport Corporation,
- (3) West Bengal Financial Corporation,
- (4) West Bengal State Warehousing Corporation, and
- (5) West Bengal State Electricity Board.

A synoptic statement showing the financial results of these Corporations/Board for the latest year up to which accounts have been received and audited is given in Annexure I.

The following accounts have not been received (December 1969) :—

| Name of the Corporation                       | Year of Accounts outstanding | Remarks  |
|---|------------------------------|--|
| Calcutta State Transport Corporation ..       | 1967-68 to 1968-69           | *Under section 31(10) of the Warehousing Corporations Act, 1962, accounts of the Corporation together with Audit Report thereon are required to be placed before the Annual General meeting of the Corporation within 6 months of the close of the financial year. This provision has not been complied with as yet. |
| North Bengal State Transport Corporation ..   | 1966-67 to 1968-69           |  |
| *West Bengal State Warehousing Corporation .. | 1968-69                      |  |

## HOME (TRANSPORT) DEPARTMENT

## Calcutta State Transport Corporation

75. *Submission of tenders* : In response to a tender invited by the Defence Department for the construction of steel body and cab on hundred 165" wheel base T. M. B. chassis, the Corporation quoted Rs. 4 lakhs for the job at the rate of Rs. 4,000 per

chassis. The rate was accepted by the Defence Department on 31st January 1963; the work was executed within October 1963. The actual cost as per job cost card was Rs. 4.68 lakhs, out of which only Rs. 3.99 lakhs (Rs. 1.100 having been deducted for unattended work) could be realised, leading to a loss of Rs. 0.69 lakh.

The Defence Department placed another order in July 1963 for construction of superstructure and canopy on one hundred and three 142" wheel base T. M. B. chassis at a cost of Rs. 4.12 lakhs as tendered by the corporation. The work was completed in July 1965 (scheduled date of delivery was 31st December 1963) at a cost of Rs. 7.23 lakhs, resulting in a loss of Rs. 3.11 lakhs.

The management attributed the loss to non-availability and late receipt of materials, increased wages, and go-slow policy adopted by the workmen.

76. *Purchase of chassis for buses*: The Corporation purchased between April 1968 and October 1969 chassis for fifteen double and twenty single decker buses from a local agent of the manufacturers at a total cost of Rs. 31.48 lakhs. The dealer, while quoting rates, stated that if the chassis were purchased ex-factory—Madras, the cost would be substantially less. The Corporation, however, bought them locally.

Had the purchases been made from the manufacturers, the Corporation could avoid an extra expenditure of Rs. 0.63 lakh.

The Management stated (August 1969) that the excess was due to payment of West Bengal sales tax which constituted revenues to the State Government. In September 1969, the Corporation, however, placed orders for purchase of twenty double decker chassis and forty single decker chassis ex-factory—Madras.

## COMMERCE AND INDUSTRIES DEPARTMENT (POWER BRANCH)

### West Bengal State Electricity Board

77. *Loss of interest*: Out of its surplus cash, the Board made several short-term investments (16 to 91 days) with different banks during 1967-68. The amounts so invested were apparently not required for the immediate requirements of the Board during that period.

As the Board had to resort to borrowing from open market at 7 per cent. per annum, such short term investments resulted in a loss of Rs. 3.76 lakhs.

The matter was referred to the management in November 1968; their reply is still awaited (January 1970).

78. *Rejection of the lowest tender*: In April 1966 the Board invited tenders for the purchase of 33 KV cable joint boxes of different specifications. The lowest offer of a firm (Rs. 0.70 lakh for 57 boxes) was rejected on the ground that it included one item of imported insulation compound, which, however, the firm agreed to import against their own quota licence; subsequently before finalisation of the tender, the firm offered (August 1967) to use indigenous insulation compound.

The purchase order (valuing Rs. 1.94 lakhs) was, however, placed with the highest tenderer verbally in August 1967 on the ground of urgency without obtaining the approval of the Tender Sub-committee, the formal order being placed on 27th November 1967. The firm did not also have previous experience in similar type of work as required under the tender notice.

According to the terms and conditions of the contract the cable joint boxes were to be despatched after the approval of the drawings by the Board; it was, however, noticed that twenty-seven boxes were supplied between June and July 1968, although the drawings were approved only on the 6th August 1968. The delivery of the boxes was to be completed by April 1968 and November 1968. The firm supplied only twenty-seven boxes within the delivery period and fifteen boxes were supplied between December 1968 and January 1970. Supply of the remaining fifteen boxes is still awaited. The materials received have also not issued so far (January 1970).

The purchase of the boxes at an extra cost of Rs. 1.24 lakhs on ground of urgency thus lacked justification.

79. *Payment of ocean freight*: A contract entered into with a foreign firm for establishment of a thermal power station at Bandal, provided for the reimbursement of costs of ocean freight by the Board to the contractor on equipment and materials supplied by the latter up to the ceiling value detailed in the contract itemwise. The Board, however, noticed (November 1967) that in respect of 23 items of the supply ocean freight was paid in excess to the extent of U. S. \$2.52 lakhs (Rs. 18.92 lakhs) over that provided for against each item and, therefore, decided (June 1968) to recover the amount from the supplier. Subsequently, however, the Board accepted (May 1969) the contention of the supplier that the ceiling should be on the total ocean freight paid on all the items and not on the ocean freight paid itemwise and withdrew its claim preferred on the supplier in January 1968.

In view of the specific provision in the contract, recovery of the amount was suggested to the management (July 1969); reply is still awaited (December 1969).

80. *Idle equipment*: The West Bengal State Electricity Board purchased during 1963 and 1964 some coal and ash tipping tubs and rail materials at a cost of Rs. 0.67 lakh for economic handling of coal and ash at Dishergarh and Farakka power plants. The job of coal and ash handling was entrusted to contractors from August 1964 onwards as it was found more economical.

Government stated in January 1970 that the equipments are being used as a stand-by arrangement for handling of coal in case of emergency.

81. *Avoidable payment of Excise Duty*: Under the Central Excise Rules, 1944, the West Bengal State Electricity Board was eligible for exemption from the payment of excise duty on furnace oil consumed in a Thermal Power Station, subject to procurement of necessary licence and execution of the prescribed bond. The Board, however, applied for licence for the year 1965 in October 1965 and obtained it in December 1965; they immediately resubmitted it for renewal for the year 1966. The prescribed bond was executed only on the 13th February 1966.

Meanwhile the Board paid Rs. 9.90 lakhs as excise duty on 10,449 MT of furnace oil consumed during 26th May 1965 to 12th February 1966; the claim for refund preferred by the Board was rejected (February 1967) for non-execution of the bond. Appeal (March 1968) to the appellate authority was also rejected on the ground that it was unstamped and barred by limitation. The revision application made (July 1968) to the Government of India, Ministry of Finance, was finally rejected on the aforesaid grounds (January 1969).

Oversight by the Board thus resulted in an avoidable expenditure of Rs. 9.90 lakhs. No responsibility in the matter has so far been fixed (November 1969).

## SECTION III—GOVERNMENT COMPANIES

82. There were eight Government Companies, named below, in the State as on the 31st March 1969:—

1. Durgapur Projects Limited,
2. Durgapur Chemicals Limited,
3. Kalyani Spinning Mills Limited,
4. West Bengal Industrial Development Corporation Limited,
5. Electro Medical and Allied Industries Limited,
6. State Fisheries Development Corporation Limited,
7. West Bengal Agro Industries Corporation Limited, and
8. West Bengal Small Industries Corporation Limited.

The financial results of these Companies are shown in Annexure II.

COMMERCE AND INDUSTRIES DEPARTMENT (DURGAPUR  
INDUSTRIES BRANCH)

**Durgapur Projects Limited**

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83. *Purchase of Wagon Tippler Plant*: An order for supply, erection and commissioning of a 90-ton Wagon Tippler Plant and associated wagon marshalling equipment at an estimated value of Rs. 13.72 lakhs, to meet the coal handling requirements of 5 units of the power plant and the 6th unit proposed to be installed, was placed by the company in September 1962. Due to the failure of the company to carry out the foundation work of a unit properly and other civil works in time, the contractor delayed the guarantee test and the commissioning of the plant beyond the stipulated time. The plant was provisionally taken over by the company on 3rd January 1966 without any trial run and guarantee test. As the guarantee period expired in November 1966, the performance guarantee test was done in October 1968 at an extra cost of Rs. 25,000 for servicing the plant. The plant remained idle (September 1969) as from 1968-69 the entire requirement of low grade coal for the power plant was carried by lorries from the adjoining coal fields. Proposal for construction of the 6th unit had also been shelved. As the requirement of entire quantity of coal can now be met from the sink produced from the coal washery of the company when run at its rated capacity, the setting up of the plant was infructuous.

The management has not yet replied to the audit query (January 1970).

84. *Loss in disposal of Coke Breeze*: The ceiling price fixed by the Coal Controller for sale of coke breeze varied from Rs. 10.01 to Rs. 10.45 per tonne during the period from August 1963 to March 1966. The company, however, was unable to find a regular market for the coke breeze at the ceiling price. It was, therefore, decided (April 1964) to sell the coke breeze at concessional rates. In response to tenders invited (November 1965) the highest offer received (December 1965) was for Rs. 8.85 per tonne. The company, however, did not avail of the offer as it anticipated (i) increase in sale price and contemplated screening of breeze to produce pearl coke saleable at highest price and (ii) to manufacture briquets from coke

breeze. These contemplations of the company did not, however, materialise, nor was the company able to dispose of any substantial quantities of its accumulated stocks of coke breeze. The company, therefore, accepted an offer in March 1967 to sell the coke breeze at Rs. 6.50 per tonne.

The closing stocks of coke breeze with the company at the end of the three years 1966-67, 1967-68 and 1968-69 were as under:—

|         |   |   |    |    |    | Tonnes  |
|---------|---|---|----|----|----|---------|
| 1966-67 | - | - | -  | -  | .. | 123,048 |
| 1967-68 | - | - | -  | .. | .. | 112,642 |
| 1968-69 | - | - | .. | .. | .. | 123,745 |

During the period from January 1966 to March 1969 only 22,173 tonnes of coke breeze valued at Rs. 1,52,876 could be sold by the company.

The higher offer received in December 1966 was for lifting the entire quantity at the rate of 1,500 tonnes per month till the company was in a position to supply such stock. Had the company accepted this highest offer, instead of delaying the decision, about the disposal of its stock it would have earned an additional revenue of Rs. 3.29 lakhs to end of March 1969.

Because of its inability to dispose of the stocks of coke breeze, the closing stocks which were being valued at the ceiling prices for the purpose of annual accounts of the company up to 1966-67 were valued at a nominal value of Re. 1 per tonne only from 1967-68. The total amount written off as a result of such valuation during 1967-68 alone was Rs. 6,13,378.

85. *Loss of revenue*: The company started supply of electrical energy to an industrial consumer from 21st January 1967. The Chief Electrical Engineer and Adviser of that company detected in January 1969 that the maximum demand indicators were showing incorrect readings. The undercharge due to such incorrect readings was estimated by him at Rs. 20,000 per month. At this rate, the total amount undercharged between February 1967 to November 1968 amounted to Rs. 4.40 lakhs. The consumer was being billed thereafter correctly. According to the management as the consumption could not reach the maximum demand from the very beginning and some time had necessarily to be given for building up of load, the management proposes to recover the undercharge from April 1969, i.e., the period from when the discrepancy in the load factor was prominent. The matter is under correspondence with the consumer.

Similarly due to defective metering arrangements, a sum of Rs. 0.19 lakh was undercharged from another consumer. The Management stated (June 1969) that the amount in question is being recovered.

The Chief Electrical Engineer and Adviser observed that necessary precautionary steps to prevent mishandling of the meters were not taken.

The matter was brought to the notice of Government (September 1969). Their reply is awaited.

### Durgapur Chemicals Limited

86. *Purchase of trucks and tankers*: In order to carry their chemical products departmentally, the company acquired seven truck chassis on an emergent basis at a cost of Rs. 3.18 lakhs. Though the full price of the chassis was paid in April 1967, delivery was taken only in November and December 1967 due to delay in finalising the drawings for the bodies.

Of the seven chassis 5 were made into trucks and 2 into tankers at a further cost of Rs. 0.55 lakh. A table indicating the utilisation and idle hours of the vehicles from the dates of their obtaining road permits to September 1969 is given below :—

| Vehicle No           | Date of obtaining road permit | Number of available hours | Hours worked | Idle hours (In percentage) |
|----------------------|-------------------------------|---------------------------|--------------|----------------------------|
| 1. WGH-7347 (Truck)  | 24-7-68                       | 2,840                     | 2,152        | 24.23                      |
| 2. WGH-7285 (Truck)  | 7-6-68                        | 3,056                     | 2,121        | 30.60                      |
| 3. WGH-7284 (Truck)  | 7-6-68                        | 3,056                     | 1,462        | 52.16                      |
| 4. WGH-7387 (Truck)  | 27-7-68                       | 2,816                     | 993          | 64.70                      |
| 5. WGH-7390 (Truck)  | 1-7-68                        | 2,904                     | 397          | 86.40                      |
| 6. WGH-7348 (Tanker) | 24-7-68                       | 2,840                     | 504          | 82.30                      |
| 7. WGH-7386 (Tanker) | 27-7-68                       | 2,816                     | 90           | 96.80                      |

While their own vehicles lay mostly idle, the company engaged a number of carrying contractors during the period and paid them Rs. 1.21 lakhs (up to March 1970). According to the management (October 1969), the reasons for such heavy idle hours were (i) non-production of any saleable quantity of Hydrochloric acid for which one tanker was intended, (ii) carriage of basic raw materials by the suppliers themselves or by the carrying contractors of the company engaged before the machines became roadworthy, and (iii) want of sufficient number of drivers. The matter was reported to Government (December 1968); reply is awaited (February 1970).

#### Section IV—STATE GOVERNMENT COMMERCIAL AND QUASI-COMMERCIAL DEPARTMENTS

87. *Non-submission of Pro forma Accounts*: During the year 1968-69, 32 Commercial and Quasi-Commercial Schemes/Centres were operated departmentally. The financial results of the working of these undertakings are to be ascertained annually by preparing Statement of Accounts on a *Pro forma* basis outside the general accounts of Government. Even though the importance of furnishing *Pro forma* Accounts in time has been stressed in successive Audit Reports since 1953 and the Government had issued instructions in May 1960 (on recommendation of the Public Accounts Committee on the Appropriation Accounts of 1954-55) for immediate preparation of arrear accounts and their timely submission to Audit, the position has not improved. Fourteen undertakings/centres have not submitted *Pro forma* Accounts since inception and the preparation of accounts in 17 undertakings is in arrears for different periods (details given in appendix IX).

The financial results of six schemes as shown in the *Pro forma* accounts audited during the year are summarised below. Individual accounts of the schemes for the



latest year for which accounts were certified in audit have been set forth in appendix X of the Report—

| Name of the scheme                     | Year of Accounts   | Turnover             | Profit (+)<br>Loss (-) |
|--|--------------------|----------------------|------------------------|
|  |                    | (In lakhs of rupees) |                        |
| 1. Greater Calcutta Milk Supply Scheme | 1-10-54 to 31-3-56 | ..                   | (-) 1.60               |
|  | 1956-57            | ..                   | 0.22 (-) 4.60          |
|  | 1957-58            | ..                   | 4.93 (-) 11.53         |
|  | 1958-59            | ..                   | 5.10 (-) 18.71         |
|  | 1959-60            | ..                   | 4.22 (-) 23.33         |
|  | 1960-61            | ..                   | 4.70 (-) 30.18         |
|  | Total              | ..                   | (-) 89.95              |

The adverse financial results relating to the scheme are due to (1) poor collection of milk leading to under-utilisation of available capacity, (2) heavy charges on (a) depreciation, and (b) repairs.

Following are some of the important points noticed during audit of its *Pro forma* accounts :—

- I. The correctness of the value of (a) land (b) buildings and (c) plant and machinery could not be verified for want of (a) payment vouchers and the relative title deeds, (b) authenticated completion certificates and (c) documents in support of their acquisitions.
- II. In the absence of purchase and issue vouchers, detailed store ledgers and the basis on which the apportionment of stores (between) different schemes has been carried out, the correctness of figures in respect of stores items could not be ascertained.
- III. No payment/issue vouchers in support of purchase and issue of seeds worth Rs. 0.79 lakh could be made available to audit. Production account was not produced to audit.
- IV. No confirmation of balances from the creditors (Rs. 2.52 lakhs) was obtained and produced to audit. No provision on account of leave salary, pension contribution, gratuity and foreign service contribution has been made in the accounts.
- V. No inventory of furniture, livestock, milk booth, books and journals was maintained.
- VI. No physical verification report of stores, plant and machinery, vehicles, crates, furniture etc., was made available.
- VII. The correct date from which the depreciation on buildings and other assets should be charged could not be ascertained as the dates of completion of buildings, commissioning of plants, etc., were not made available.

VIII. No wage sheets in support of payment of wages could be produced to audit.

| Name of the scheme             | Year of accounts   | Turnover  | Profit (+)<br>Loss (-) |
|--------------------------------|--------------------|-----------|------------------------|
| (In lakhs of rupees)           |                    |           |                        |
| 2. Milk Distribution Scheme .. | 24-7-50 to 31-3-58 | 221.78    | (+) 19.70              |
|                                | 1958-59            | .. 100.44 | (+) 12.06              |
|                                | 1959-60            | .. 107.41 | (+) 11.40              |
|                                | 1960-61            | .. 117.99 | (+) 14.39              |
|                                | Total              | .. ..     | (+) 57.55              |

Following are some of the important points noticed during the audit of its *Pro forma* accounts :—

- I. The correctness of the value of (a) Plant and Machinery, (b) Furniture, (c) Vehicles, (d) Milk crates and milk cans could not be verified for want of payment vouchers and other related records in respect of their acquisition.
- II. No inventory of furniture was maintained.
- III. No physical verification report of (i) Vehicles, (ii) Milk crates and (iii) Milk cans was made available.
- IV. No confirmation of balance of advance (Rs. 7,869.09) lying with diff rent parties was obtained. No Advance Register was also made available.
- V. No confirmation of balances of Sundry Debtors (Rs. 12,54,230.60) was obtained. Relevant bills, counterfoils of money receipts etc. could not be produced for verification.
- VI. No certificate of physical verification of cash balance as at the date of Balance Sheet was recorded in the Cash Book.
- VII. No confirmation of the balances from the creditors (Rs. 1,51,147.47) included in outstanding liabilities (Rs. 7,57,499.05) was obtained and produced to audit. Relevant records i.e. vouchers, bills, pay bills register, rent register, etc., could not be produced to audit.
- VIII. Figures in respect of withdrawals from and remittances to the Reserve Bank of India were not reconciled with the Books of the Accountant-General, West Bengal.
- IX. The balance (Rs. 65,184.79) due to Skim Milk Powder Scheme was not reconciled with the Personal Ledger Account I (Milk Distribution Scheme).
- X. Audit fee was undercharged to the extent of Rs. 3,453.
- XI. Deposits on account of bottle sales (Rs. 36,174.69) were treated as sales.

**XII.** Stores purchased for this scheme could not be ascertained as the entire purchases for different schemes were merged into one store account, the basis of allocation of stores amongst different schemes were not available, value of total stores purchased and consumed for all the schemes could not be furnished, priced stores ledgers were not maintained, purchase and issue documents were not available and physical verification report of stores balances were not produced.

**XIII.** Wages sheets in connection with payment of wages were not available.

| Name of the scheme                                     | Year of accounts | Turnover | Profit (+)<br>Loss (-) |
|--|------------------|----------|------------------------|
| (In lakhs of rupees)                                   |                  |          |                        |
| 3. Surgical Instruments Servicing Station,<br>Baraipur | 1961-62          | ..       | 0.34 (-) 0.03          |
|  | 1962-63          | ..       | 0.38 (-) 0.20          |
|  | 1963-64          | ..       | 0.68 (-) 0.13          |
|  | 1964-65          | ..       | 0.78 (+) 0.01          |
|  | Total            | ..       | (-) 0.35               |

The adverse financial results relating to this unit are due to (1) poor turnover and (2) heavy charges on account of depreciation. Following are some of the important points noticed during audit of its *Pro forma* accounts:—

- I. Interest on capital has been charged at 4 per cent. instead of 5 per cent. per annum as fixed by the Government.
- II. In the absence of inventory of stores, stock and loose tools, value thereof could not be verified in audit.
- III. Valuation of closing stock was made at selling price instead of at cost or market price whichever is lower.
- IV. Complete books of accounts namely, ledgers, journals, etc., were not maintained.

| Name of the scheme  | Year of accounts | Turnover | Profit(+),<br>Loss(-) |
|---|------------------|----------|-----------------------|
| (In lakhs of rupees)  |                  |          |                       |
| 4. Hospital Appliances Scheme of Central Engineering Organisation | 1961-62          | ..       | 0.15 (+) 0.05         |
|   | 1962-63          | ..       | 0.53 (+) 0.21         |
|   | 1963-64          | ..       | 0.35 (+) 0.04         |
|   | 1964-65          | ..       | (-) 0.27              |
|   | 1965-66          | ..       | (-) 0.36              |
|   | 1966-67          | ..       | 0.08 (-) 0.29         |
|   | Total            | ..       | (-) 0.62              |

The adverse financial results of the unit are due to (1) poor turnover, (2) heavy commitment on labour and staff employed without relation to production and (3) heavy charges on account of depreciation.

Following are some of the important points noticed during audit of its *Pro forma* Accounts :—

- I. No inventory of tools and equipment, furniture and fixture was prepared.
- II. Interest on capital has been undercharged to the extent of Rs. 3,435.
- III. No provision for audit fee has been made in the account.
- IV. No costing records (i.e., work orders, job cards, cost sheet, etc.) were maintained.
- V. No order fixing the apportionment of expenditure between the Hospital Appliances Scheme and the Central Engineering Organisation could be made available.
- VI. Confirmation of balances from debtors and creditors has not been obtained.

| Name of the scheme                | Year of accounts | Turnover | Profit(+)<br>Loss(-) |
|-----------------------------------|------------------|----------|----------------------|
| (In lakhs of rupees)              |                  |          |                      |
| 5. Government Saw Mills, Siliguri | .. 1967-68       | .. 27.22 | (+) 3.68             |
|                                   | 1968-69          | .. 22.82 | (+) 0.55             |
|                                   | Total            | ..       | (+) 3.23             |

Following are some of the important points noticed during audit of its *Pro forma* Accounts :—

- I. Interest on capital from 1961-62 onwards has not been charged to the profit and loss account so far.
- II. No provision for bad and doubtful debts amounting to Rs. 5,564 was made during 1967-68 although some of the debts are more than four years old.
- III. Although the mills were working a second shift from 28th November 1962 depreciation at the appropriate rate of 50 per cent. over the normal rate (approximately Rs. 13,150) was not charged.
- IV. Rent receivable from the Wood Industries Centre, Siliguri, amounting to Rs. 15,600 was not shown as an outstanding debt nor was it included in the miscellaneous receipts.

| Name of the scheme                            | Year of accounts | Turnover    | Profit(+)<br>Loss(-) |
|---|------------------|-------------|----------------------|
| (In lakhs of rupees)                          |                  |             |                      |
| 6. Scheme for State Trading in Rice and Paddy | 1963-64          | .. 1,231.75 | (-) 52.95            |

Loss was mainly due to shortages in stock of rice and paddy (Rs. 34.89 lakhs) and heavy overhead charges.

The following are some of the important points noticed during audit of the *pro forma* accounts:—

- I. Almost the entire stock of 3,055 quintals of paddy (value Rs. 1.05 lakhs), representing the closing stock of the previous year, which was shown as stock in transit since 1959-60 was lost in transit.
- II. Although the external purchase of rice during 1963-64 was shown in the account as Rs. 1,087.96 lakhs the figures collected from the various registers in the office of the Controller of Finance worked out to Rs. 1,034.82 lakhs. The difference of Rs. 53.14 lakhs is yet to be investigated and reconciled (February 1970).
- III. Although the closing stock of rice was shown in the account as 4,74,845 quintals, the stock register showed this balance on 31st March 1964 as 3,49,060 quintals and 42 kgs. only on the basis of physical verification. The difference of 1,25,785 quintals is yet to be reconciled (February 1970).
- IV. The losses/shortages, etc., were not adjusted separately in the accounts after due investigation; instead these were charged to the accounts as sales.
- V. Transit shortages were determined by the difference of despatches and receipts of stocks incorporated in the stock accounts. As no consignmentwise record of shortages was maintained centrally, the figures could not be checked.

## COTTAGE AND SMALL SCALE INDUSTRIES DEPARTMENT

### Central Engineering organisation

88. *Credit Sale*: Rs. 5.85 lakhs pertaining to the years 1958-59 to 1968-69 were lying outstanding from Government departments and private parties as on 31st March 1969 on account of credit sales (Government department: Rs. 2.76 lakhs and private parties: Rs. 3.09 lakhs) of products of the organisation as detailed below:—

| Year    |    |    |    |    |       | Amount   |
|---------|----|----|----|----|-------|----------|
|         |    |    |    |    |       | Rs.      |
| 1958-59 | .. | .. | .. | .. | ..    | 22,262   |
| 1959-60 | .. | .. | .. | .. | ..    | 15,692   |
| 1960-61 | .. | .. | .. | .. | ..    | 29,305   |
| 1961-62 | .. | .. | .. | .. | ..    | 11,086   |
| 1962-63 | .. | .. | .. | .. | ..    | 6,486    |
| 1963-64 | .. | .. | .. | .. | ..    | 29,360   |
| 1964-65 | .. | .. | .. | .. | ..    | 17,448   |
| 1965-66 | .. | .. | .. | .. | ..    | 33,181   |
| 1966-67 | .. | .. | .. | .. | ..    | 1,06,547 |
| 1967-68 | .. | .. | .. | .. | ..    | 1,78,411 |
| 1968-69 | .. | .. | .. | .. | ..    | 1,35,584 |
|         |    |    |    |    | Total | 5,85,302 |

On a scrutiny of the relevant records it appeared that no effective steps were taken to realise the dues. No provision had also been made for bad or doubtful debts in the accounts up to 1966-67.

It was stated by the management that due to recession in the engineering industry the private industries had suffered heavily and many had closed down.

The matter had been brought to the notice of the Government from time to time (till September 1969); reply is awaited (December 1969).

## HOME (TRANSPORT) DEPARTMENT

### Durgapur State Transport Board

89. *Idle machine*: Pursuant to a decision taken in March 1966 to instal a fuel pump calibrating machine for maintenance of route vehicles, the Home (Transport) Department purchased the machine in November 1967 and installed it on the 19th March 1968 at a total cost of about Rs. 0.32 lakh. The machine could not, however, be operated for want of a cooling blower which required further expenditure of Rs. 0.19 lakh (plus sales tax).

Besides, as the machine excepting for a few minor operations, is thus lying idle, heavy expenditure is being incurred on maintenance of fuel pumps by outside parties: the expenditure on this account was Rs. 0.55 lakh from April, 1967 to December 1969.

The matter was reported to Government in July 1969; their reply is awaited (December 1969).

90. *Payment of Central Sales Tax*: Under provisions of the Central Sales Tax Act, 1956, sales tax on sales to a Government department, not being a registered dealer, is leviable at 3 per cent. in place of 10 to 12 per cent., if the sale is supported by a certificate in the prescribed form duly filled in and signed by an authorised officer of the buying Government department.

As no such certificate was issued by the Board, Central sales tax at the rate of 10 to 12 per cent. instead of the concessional rate of 3 per cent. had to be paid by the Board during 1967-68 on inter-State purchases which led to an avoidable expenditure of about Rs. 32,000.

The matter was reported to Government (July 1969); reply is awaited (December 1969).

## ANNEXURE I

(Referred to in paragraph 74)

## Government Commercial and Trading Activities—Statutory Corporations/Board

*The financial results of the Statutory Corporations/Board*

| Period of Accounts   | 1968-69   | 1968-69                            | 1965-66                                  | 1967-68  | 1966-67                              |
|--|---|------------------------------------|--|--|--------------------------------------|
| (1) Name of the Corporation/Board                            | West Bengal State Electricity Board               | West Bengal Financial Corporation  | North Bengal State Transport Corporation | West Bengal State Warehousing Corporation        | Calcutta State Transport Corporation |
| (2) Name of the Department                                   | Commerce and Industries Department (Power Branch) | Commerce and Industries Department | Home (Transport) Department              | Agriculture and Community Development Department | Home (Transport) Department          |
| <i>(Figures in lakhs of rupees excepting items 9 and 12)</i> |   |                                    |  |  |                                      |
| (3) Date of incorporation                                    | 1.5.55  | 1.3.54                             | 15.4.60                                  | 31.3.58  | 15.6.60                              |
| (4) Total capital invested*                                  | 9,307.20  | 796.85                             | 86.09                                    | 58.00  | 986.94                               |
| (5) Profit (+) Loss (-)                                      | (+)115.37   | (+)14.08                           | (+)0.31                                  | (-)2.02  | (-)146.92                            |
| (6) Total interest charged to profit and loss account        | 399.91  | 36.29                              | 4.88                                     | 0.02   | 48.47                                |
| (7) Interest on long-term loans                              | 399.91  | 36.29                              | 4.88                                     | Nil  | 48.47                                |
| (8) Total return on capital invested (5+7)                   | 515.28  | 50.37                              | 5.19                                     | (-)2.00  | (-)98.45                             |
| (9) Percentage of total return on capital invested           | 5.54  | 6.32                               | 6.03                                     | Nil  | Nil                                  |
| (10) Capital employed† ..                                    | 7,653.38  | ..                                 | 88.43                                    | 60.00  | 417.82                               |
| (11) Total return on capital employed (5+6)                  | 515.28  | ..                                 | 5.19                                     | (-)2.02  | (-)98.45                             |
| (12) Percentage of total return on capital employed          | 6.73  | ..                                 | 5.87                                     | Nil  | Nil                                  |

\*'Capital invested' represents paid up capital plus long-term loans plus free reserves.

†'Capital employed' represents net fixed assets (excluding capital work-in-progress) plus or minus working capital.

## ANNEXURE II

(Referred to in paragraph 82)

The financial results of the Government Companies as shown in their accounts<sup>1</sup> received so far are summarised below :—

| Period of accounts                                    | 1968-69   | 1968-69   | 1968-69                            | 1968-69  |
|---|---|---|------------------------------------|--|
| (1) Name of the Company                               | Durgapur Projects Limited                                       | Durgapur Chemicals Limited                                      | Kalyani Spinning Mills Limited     | West Bengal Industrial Development Corporation Limited |
| (2) Name of the Department                            | Commerce and Industries Department (Durgapur Industries Branch) | Commerce and Industries Department (Durgapur Industries Branch) | Commerce and Industries Department | Commerce and Industries Department                     |
| <i>(In lakhs of rupees except items 9 and 12)</i>     |   |   |                                    |  |
| (3) Date of incorporation                             | 6-6-61  | 31-7-63   | 13-1-60                            | 6-1-67   |
| (4) Total capital invested <sup>(*)</sup>             | 6,002.74  | 1,107.44  | 358.73                             | 68.40  |
| (5) Profit (+)<br>Loss (-)                            | (-)293.48   | (+)0.84   | (-)72.39                           | (+)0.82  |
| (6) Total interest charged to profit and loss account | 233.41  | 15.04   | 12.56                              | Nil  |
| (7) Interest on long-term loans                       | 233.41  | 15.04   | 12.56                              | Nil  |
| (8) Total return on Capital invested (5+7).           | (-)60.07  | 15.88   | (-)59.83                           | 0.82   |
| (9) Percentage of total return on capital invested    | ....  | 1.43  | ....                               | 1.20   |
| (10) Capital employed†                                | 4,856.79  | 795.81  | 310.13                             | 67.87  |
| (11) Total return on capital employed (5+6)           | (-)60.07  | 15.88   | (-)59.83                           | 0.82   |
| (12) Percentage of total return on Capital employed   | ....  | 2.00  | ....                               | 1.21   |

(\*) "Capital invested" (vide item 4 above) represents paid up Capital plus long-term loans plus free reserves (all figures at the close of the year).

(†) "Capital employed" (vide item 10 above) represents net fixed assets (excluding capital work-in-progress) plus or minus working capital (all figures at the close of the year).



## ANNEXURE II—concl'd.

| Period of accounts                                    | 1-7-68 to<br>30-6-69                          | 1968-69   | 16-8-68 to<br>31-3-69.                          | 1968-69  |
|---|---|---|---|--|
| (1) Name of the Company                               | Electro-Medical and Allied Industries Limited | State Fisheries Development Corporation Limited | West Bengal Agro-Industries Corporation Limited | West Bengal Small Industries Corporation Limited |
| (2) Name of the Department.                           | Department of Health                          | Fisheries Department                            | Agriculture and Community Development           | Cottage and Small Scale Industries               |
| (In lakhs of rupees except item nos. 9 and 12)        |   |   |   |  |
| (3) Date of incorporation                             | 29.6.61                                       | 30.8.66   | 16.8.68   | 29.3.61  |
| (4) Total capital invested(*)                         | 25.00   | 15.06   | 83.94   | 73.28  |
| (5) Profit (+)<br>Loss (-)                            | (-)2.34                                       | (-)1.88   | (+)0.72   | (-)6.38  |
| (6) Total interest charged to profit and loss account | Nil   | Nil   | Nil   | 1.50   |
| (7) Interest on long-term loans.                      | Nil   | Nil   | Nil   | 1.50   |
| (8) Total return on capital invested (5+7)            | (-)2.34                                       | (-)1.88   | 0.72  | (-)4.88  |
| (9) Percentage of total return on capital invested    | ....  | Nil   | 0.86  | Nil  |
| (10) Capital employed†                                | 16.92   | 12.32   | 83.70   | 81.94  |
| (11) Total return on capital employed (5+6)           | (-)2.34                                       | (-)1.88   | 0.72  | (-)4.88  |
| (12) Percentage of total return on capital employed   | ....  | Nil   | 0.86  | Nil  |

(\*) "Capital invested" (vide item 4 above) represents paid up Capital plus long-term loans plus free reserves (all figures at the close of the year).

(†) "Capital employed" (vide item 10 above) represents net fixed assets (excluding capital work-in-progress) plus or minus working capital (all figures at the close of the year).

## CHAPTER X

## Outstanding Objections and Inspection Reports

91. *Outstanding audit objections*: Irregularities and defects noticed in Audit are reported to the departmental authorities. Half-yearly reports of outstanding audit objections are also forwarded to the heads of departments for taking necessary steps to expedite their settlement.

8,537 audit objections (money value Rs. 39.74 crores) raised upto 31st March 1969 were outstanding at the end of September 1969. The other objections (Rs. 53.66 crores in 4,251 cases) on account of (i) want of sanctioned estimates, (ii) excess over sanctioned estimates, and (iii) unvouched outlay on works have been dealt with in paragraph 52(b) of Chapter V.

Yearwise analysis of audit objections is given below—

| Year of issue*            | Number of objections | Amount<br>(In crores of rupees) |
|---------------------------|----------------------|---------------------------------|
| 1965-66 and earlier years | 2,242                | 20.88                           |
| 1966-67 .. ..             | 1,214                | 2.93                            |
| 1967-68 .. ..             | 1,866                | 2.79                            |
| 1968-69 .. ..             | 3,215                | 13.14                           |
| Total .. ..               | 8,537                | 39.74                           |

Departments with heavy outstandings and the nature of objections are given below—

| Department                               | Want of sanctions to miscellaneous and contingent expenditure | Want of detailed contingent bill, vouchers, payee's receipts and stamped acknowledgements or other documents | Recoverable advances not recovered or adjusted within the prescribed period | Non-recovery of over-payments or amounts disallowed in audit | Other reasons | Total    |
|--|---|--|---|--|---------------|----------|
|  | (In lakhs of rupees)  |  |   |  |               |          |
| Food and Supplies ..                     | 0.21  | 3.74   | ..  | ..   | 17,07.79      | 17,11.74 |
| Agriculture and community Development    | 1.40  | 110.59   | 0.27  | 1.08   | 801.47        | 914.81   |
| Commerce and Industries                  | ..  | 378.28   | 0.09  | ..   | 6.67          | 385.04   |
| Relief and Social Welfare                | ..  | 105.46   | ..  | ..   | ..            | 105.46   |
| Education .. ..                          | 0.09  | 40.69  | 0.09  | 0.01   | 9.65          | 50.53    |
| Irrigation and Waterways                 | 0.07  | 0.47   | 0.02  | ..   | 40.00         | 40.56    |
| Refugee Relief and Rehabilitation        | 24.12   | 0.03   | 0.01  | ..   | 0.76          | 24.92    |
| Development and Planning                 | ..  | 1.51   | ..  | ..   | 10.49         | 12.00    |
| Animal Husbandry and Veterinary Services | 0.40  | 93.77  | 0.07  | ..   | 38.27         | 132.51   |

\*The oldest objection dates back to 1949-50

In the absence of payee's receipts and sub-vouchers full audit could not be done. Delay in submission of these documents may result in serious irregularities remaining undetected for long. It would be seen from the following that the amount of outstanding objections of this class has been on the increase :—

| Audit Report |    |    |    |    | Amount                      |         |
|--------------|----|----|----|----|-----------------------------|---------|
|              |    |    |    |    | <i>(In lakhs of rupees)</i> |         |
| 1968         | .. | .. | .. | .. | ..                          | 1,11.74 |
| 1969         | .. | .. | .. | .. | ..                          | 2,89.13 |
| 1970         | .. | .. | .. | .. | ..                          | 3,05.25 |

The objections for want of detailed contingent bills represent the amounts drawn as advances by disbursing officers on abstract bills for contingent expenditure for which detailed bills (countersigned by the controlling authority, where necessary, in token of approval of expenditure) have not been furnished to Audit. The rules require that detailed contingent bills should reach the Audit office not later than the last day of the month succeeding that in which the amount was drawn on abstract bills. Non-submission of the detailed bills in time results in the expenditure remaining unaudited for long. The amounts of outstanding objections for want of detailed contingent bills, shown in successive Audit Reports are as follows :—

| Audit Report |    |    |    |    | Amount                      |         |
|--------------|----|----|----|----|-----------------------------|---------|
|              |    |    |    |    | <i>(In lakhs of rupees)</i> |         |
| 1968         | .. | .. | .. | .. | ..                          | 2,94.77 |
| 1969         | .. | .. | .. | .. | ..                          | 3,95.40 |
| 1970         | .. | .. | .. | .. | ..                          | 4,50.51 |

92. *Outstanding Inspection Reports*: Financial irregularities and defects in the accounts noticed during local audit and inspections are included in inspection reports which are sent to departmental officers and also to the heads of departments. It is necessary that the points raised in the reports should be settled expeditiously if the object of inspection is to be fully achieved. Unless such reports receive prompt attention, the irregularities are likely to persist.

Under the departmental orders, a head of office is required to submit to the head of his department his replies to an inspection report within three weeks of its receipt. The head of the department is to transmit to the Audit Office the replies of the head of office with his remarks thereon within two months of the date of receipt of the replies in his office. 7,723 inspection reports (containing 34,987 paragraphs) issued up to the end of March 1969 remained unsettled on 30th September 1969. The number of inspection reports and paragraphs which have remained unsettled for long are given below :—

|  | Number of reports outstanding | Number of paragraphs outstanding in the reports |
|--|-------------------------------|---|
| Issued not later than March 1964 (i.e., more than 5 years ago)                               | 3,453                         | 10,209  |
| Issued between April 1964 and March 1967 (i.e., more than 2 years but less than 5 years ago) | 2,626                         | 12,620  |

The departments with heavy outstandings for more than five years/two years at the end of September 1969 are shown below—

| Department                                   | Number of reports and paragraphs therein outstanding for more than 5 years |            | Number of reports and paragraphs therein outstanding for more than two years but less than five years |            |
|--|--|------------|---|------------|
|  | Reports  | Paragraphs | Reports   | Paragraphs |
|  | (1) Board of Revenue .. ..   | 137        | 735   | 82         |
| (2) Relief and Social Welfare .. ..          | 153  | 400        | 73  | 327        |
| (3) Agriculture and Community Development    |  |            |   |            |
| (a) Agriculture Branch .. ..                 | 329  | 727        | 186   | 1,158      |
| (b) Community Development Branch .. ..       | 381  | 1,592      | 390   | 2,445      |
| (4) Health .. ..                             | 238  | 772        | 196   | 861        |
| (5) Refugee Relief and Rehabilitation .. ..  | 617  | 1,545      | 149   | 666        |
| (6) Education .. ..                          | 248  | 510        | 322   | 442        |
| (7) Commerce and Industries .. ..            | 257  | 992        | 205   | 1,090      |
| (8) Cottage and Small Scale Industries .. .. | 79   | 214        | 44  | 213        |
| (9) Public Works (Roads) .. ..               | 59   | 138        | 77  | 434        |
| (10) Public Works .. ..                      | 98   | 193        | 143   | 719        |
| (11) Public Works (Construction Board) .. .. | 101  | 364        | 68  | 272        |
| (12) Irrigation and Waterways .. ..          | 76   | 185        | 95  | 527        |
| (13) Land and Land Revenue .. ..             | 159  | 468        | 75  | 309        |
| (14) Food and Supplies .. ..                 | 171  | 299        | 59  | 151        |

Even the first replies have not been furnished (December 1969) to 387 inspection reports (3,781 paragraphs) issued up to the end of March 1969.

The matter has been reported to Government from time to time. It would be seen from the following that the outstandings have been on the increase (except in 1968):—

|                                     | Number of inspection reports and paragraphs in the reports shown outstanding in Audit Report |        |        |        |        |        |
|-------------------------------------|--|--------|--------|--------|--------|--------|
|                                     | 1965   | 1966   | 1967   | 1968   | 1969   | 1970   |
| Number of inspection reports        | 5,108  | 5,993  | 6,411  | 5,856  | 7,039  | 7,723  |
| Number of paragraphs in the reports | 23,278   | 24,966 | 28,716 | 27,104 | 32,080 | 34,987 |

The important types of irregularities noticed in local audit and inspection in 1968-69 are mentioned in appendix XI.

CALCUTTA,

The.....1970.

**23 JUN 1970**



(K. P. JOSEPH),

*Accountant-General, West Bengal.*

Countersigned.

NEW DELHI,

**29 JUN 1970**

The.....1970.



(S. RANGANATHAN),

*Comptroller and Auditor-General of  
India.*



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## APPEN

(Reference : Para

**Utilisation certificates awaited in January 1970 for grants-in-aid paid by**

| Department   | Year of distribution |         |                     |                    |
|--|----------------------|---------|---------------------|--------------------|
|  | Up to 1963-64        |         | 1964-65             |                    |
|  | No. of certificates  | Amount  | No. of certificates | Amount             |
|  |                      |         |                     | <i>(Amounts in</i> |
| (1) Agriculture and Community Development Department | ..                   | ..      | ..                  |                    |
| (2) Co-operation .. ..                               | 77                   | 51.02   | 35                  | 24.43              |
| (3) Cottage and Small Scale Industries               | ..                   | ..      | ..                  | ..                 |
| (4) Education .. ..                                  | 396                  | 60.71   | 422                 | 94.55              |
| (5) Health (Medical Branch) ..                       | ..                   | ..      | ..                  | ..                 |
| (6) Health (Public Health Branch)                    | 67                   | 50.60   | 7                   | 0.84               |
| (7) Information and Public Relations                 | 4                    | 0.68    | ..                  | ..                 |
| (8) Public Works .. ..                               | ..                   | ..      | ..                  | ..                 |
| (9) Home .. ..                                       | ..                   | ..      | ..                  | ..                 |
| (10) Social Welfare .. ..                            | ..                   | ..      | ..                  | ..                 |
| (11) Local Self-Government ..                        | ..                   | ..      | ..                  | ..                 |
| (12) Housing .. ..                                   | ..                   | ..      | ..                  | ..                 |
| (13) Development and Planning ..                     | ..                   | ..      | ..                  | ..                 |
| (14) Home (Police) .. ..                             | ..                   | ..      | ..                  | ..                 |
| (15) Land and Land Revenue ..                        | ..                   | ..      | ..                  | ..                 |
| (16) Scheduled Castes and Tribal Welfare             | ..                   | ..      | ..                  | ..                 |
| Total ..   | 544                  | 1,63.01 | 464                 | 1.10.82            |



**DIX I**

graph 14, page 15)

**Government up to 31st March 1968**

of grants-in-aid

| 1965-66                     |         | 1966-67                     |         | 1967-68                     |          | Total Amount                |          |
|-----------------------------|---------|-----------------------------|---------|-----------------------------|----------|-----------------------------|----------|
| No. of<br>certi-<br>ficates | Amount  | No. of<br>certi-<br>ficates | Amount  | No. of<br>certi-<br>ficates | Amount   | No. of<br>certi-<br>ficates | Amount   |
| ..                          | ..      | 44                          | 14.99   | 32                          | 15.15    | 76                          | 30.14    |
| 41                          | 21.66   | 44                          | 20.72   | 48                          | 26.69    | 245                         | 1.44.52  |
| ..                          | ..      | 2                           | 0.27    | 53                          | 32.04    | 55                          | 32.31    |
| 345                         | 2,20.99 | 1,528                       | 5,50.71 | 7,597                       | 21,21.25 | 10,288                      | 30,48.21 |
| ..                          | ..      | 134                         | 50.18   | 205                         | 73.97    | 339                         | 1,24.15  |
| 43                          | 31.66   | 51                          | 23.44   | 76                          | 14.54    | 244                         | 1,21.08  |
| ..                          | ..      | 1                           | 0.05    | ..                          | ..       | 5                           | 0.73     |
| ..                          | ..      | 161                         | 48.33   | 129                         | 34.95    | 290                         | 83.28    |
| ..                          | ..      | ..                          | ..      | 7                           | 0.02     | 7                           | 0.02     |
| ..                          | ..      | ..                          | ..      | 5                           | 0.04     | 5                           | 0.04     |
| ..                          | ..      | ..                          | ..      | 18                          | 1,62.95  | 18                          | 1,62.95  |
| ..                          | ..      | ..                          | ..      | 6                           | 0.68     | 6                           | 0.68     |
| ..                          | ..      | ..                          | ..      | 4                           | 0.32     | 4                           | 0.32     |
| ..                          | ..      | ..                          | ..      | 1                           | 0.03     | 1                           | 0.03     |
| ..                          | ..      | ..                          | ..      | 2                           | 0.11     | 2                           | 0.11     |
| ..                          | ..      | ..                          | ..      | 96                          | 1.48     | 96                          | 1.48     |
| 429                         | 2,74.31 | 1,965                       | 7,08.69 | 8,279                       | 24,84.22 | 11,681                      | 37,50.05 |

*lakhs of rupees)*

## APPENDIX II

(Reference Paragraph 16, page 16)

**Cases where the verification and acceptance of balances for large amounts have been unduly delayed**

| Head of Account   | Number of acceptances awaited | Year from which acceptances are awaited | Balance on 31st March 1969 |
|---|-------------------------------|---|----------------------------|
|   |                               |   | (In lakhs of rupees)       |
|   |                               |   | Cr.                        |
| <b>O—Public Debt—</b>   |                               |   |                            |
| (1) Loans from the Central Government ..  | 50                            | 1964-65                                 | 5,16.30 36                 |
| IV—Other loans  |                               |   |                            |
| (2) Loans from the Life Insurance Corporation of India  | 11                            | 1964-65                                 | 9.40 33                    |
| (3) Loans from the National Co-operative Development Corporation  | 1                             | 1964-65                                 | 3.38 02                    |
| (4) Loans from National Agricultural Credit Fund of the Reserve Bank of India                                     | 15                            | 1964-65                                 | 80 27                      |
| (5) Loans from the Heavy Engineering Corporation of India   | 1                             | 1964-65                                 | 26 25                      |
| <b>Q—Loans and Advances by State and Union Territory Governments—Loans to local funds, private parties, etc —</b> |                               |   |                            |
|   |                               |   | Dr                         |
| (1) Advances under special laws .. ..   | 14                            | 1966-67                                 | 65,94.23                   |
| (2) Miscellaneous Loans and Advances ..   | 61                            | 1962-63                                 | 57,64.27                   |
| (3) Loans to displaced persons .. ..  | 10                            | 1948-49                                 | 33,14.00                   |
| (4) Loans and Advances under Community Development Programme  | 6                             | 1962-63                                 | 3,91.58                    |
| (5) Loans to Municipalities . . . .   | 40                            | 1964-65                                 | 1,82 18                    |
| (6) Loans to Calcutta Corporation .. ..   | 21                            | 1965-66                                 | 1,61 30                    |
| (7) Loans to District and other Local Fund Committees   | 142                           | 1962-63                                 | 99 25                      |
| <b>T—Deposits and Advances—</b>   |                               |   |                            |
|   |                               |   | Cr.                        |
| (1) Deposits of Local Funds .. ..   | 136                           | 1965-66                                 | 10,39.93                   |
| (2) Deposits for work done for public bodies or private individuals   | 15                            | 1967-68                                 | 63.71                      |

## **APPENDIX III**

### APPENDIX III

(Reference: Paragraph 18, page 17)

**Grants/appropriations in which supplementary provisions were obtained and the extent to which they remained unutilised or proved inadequate**

| Particulars of grants/appropriations<br>Voted or<br>Charged   | Amount of grant/appropriation |               | Total    | Actual<br>expenditure | Saving--<br>Excess-- |
|---|-------------------------------|---------------|----------|-----------------------|----------------------|
|   | Original                      | Supplementary |          |                       |                      |
| 5—Sales Tax .. .. . Voted   | 56.67                         | 2.92          | 59.59    | 56.27                 | — 3.32               |
| 9—Interest on Debt and Other Obligations .. .. . Charged  | 24,30.96                      | 8,72.54       | 33,03.50 | 19,77.61              | — 13,25.89           |
| 27—Industries—Cottage Industries .. .. . Voted  | 2,13.03                       | 1.98          | 2,15.01  | 1,99.54               | — 15.47              |
| 32—Miscellaneous Social and Developmental Organisations—Excluding Welfare of Scheduled Tribes and Castes and Other Backward Classes .. .. . Voted | 1,47.95                       | 4.53          | 1,52.48  | 1,32.75               | — 19.73              |
| 33—Irrigation .. .. . Voted   | 15,27.83                      | 2,94.24       | 18,22.07 | 15,22.36              | — 2,99.71            |
| 35—Greater Calcutta Development Scheme .. .. . Voted  | 2,46.33                       | 1,12.62       | 3,58.95  | 2,16.56               | — 1,42.39            |
| 41—Stationery and Printing .. .. . Voted  | 1,10.73                       | 4.92          | 1,15.65  | 97.35                 | — 18.30              |
| 44—Miscellaneous—Other Miscellaneous Expenditure .. .. . Charged  | 5.05                          | 0.12          | 5.17     | 0.12                  | — 5.05               |
| 48—Capital Outlay on Multipurpose River Schemes—Damodar Valley Project .. .. . Voted  | 4,33.87                       | 1,30.72       | 5,64.59  | 3,81.74               | — 1,82.85            |
| 49—Capital Outlay on Public Works .. .. . Charged   | 2.70                          | 13.36         | 16.06    | 0.80                  | — 15.26              |

(6) Grants/appropriations in which the supplementary provisions proved unnecessary —

(ii) Grants/appropriations in which the supplementary provisions proved excessive—

|  |    |    |          |          |          |          |           |
|--|----|----|----------|----------|----------|----------|-----------|
| 7—Stamps   | .. | .. | 20.52    | 10.01    | 30.53    | 24.11    | -6.42     |
| 25—Co-operation  | .. | .. | 1,20.10  | 10.73    | 1,30.83  | 1,20.46  | -10.37    |
| 29—Community Development Projects etc.                     | .. | .. | 4,98.10  | 33.70    | 5,31.80  | 5,01.77  | -30.03    |
| 38—Famine Relief   | .. | .. | 3,78.68  | 13.68.99 | 17,47.67 | 15,02.19 | -2,45.48  |
| 39—Pensions and Other Retirement Benefits                  | .. | .. | 4.10     | 1.80     | 5.90     | 4.58     | -1.32     |
| 43—Miscellaneous—Contributions                             | .. | .. | 3,77.40  | 1,13.46  | 4,90.86  | 4,33.92  | -56.94    |
| 43—Miscellaneous—Contributions                             | .. | .. | 9.40     | 5.99     | 15.39    | 13.48    | -1.91     |
| 50—Capital Outlay on Schemes of Government Trading         | .. | .. | 5,41.91  | 2,56.27  | 7,98.18  | 7,74.72  | -43.46    |
| Public Debt  | .. | .. | 32,84.36 | 58,55.77 | 91,40.13 | 80,26.99 | -11,13.14 |
| 52—Loans and Advances by State/Union Territory Governments | .. | .. | 15,94.36 | 7,20.20  | 23,14.56 | 21,74.94 | -1,39.62  |

(iii) Grants/appropriations in which the supplementary provisions proved inadequate—

|   |    |    |          |         |          |          |          |
|---|----|----|----------|---------|----------|----------|----------|
| 11—Parliament, State/Union Territory Legislatures | .. | .. | 47.73    | 58.04   | 1,05.77  | 1,10.64  | +4.87    |
| 20—Medical  | .. | .. | 16,98.89 | 81.22   | 17,80.11 | 16,85.59 | +1,05.48 |
| 34—Public Works                                   | .. | .. | 17.24    | 0.94    | 18.18    | 21.87    | +3.69    |
| 36—Ports and Pilotage                             | .. | .. | 15.48    | 0.87    | 16.35    | 17.73    | +1.38    |
| 39—Pensions and Other Retirement Benefits         | .. | .. | 2,04.43  | 65.41   | 2,69.84  | 2,94.70  | +24.86   |
| 45—Miscellaneous—Expenditure on Displaced Persons | .. | .. | 6,37.05  | 4,08.63 | 10,45.68 | 12,57.96 | +2,12.28 |
| 45—Miscellaneous—Expenditure on Displaced Persons | .. | .. | 1,76.85  | 3,46.69 | 5,23.54  | 7,70.03  | +2,46.49 |

## APPENDIX IV

(Reference. Paragraph 21, page 23).

### Savings exceeding Rs.1 lakh in each case under voted grants/charged appropriations

#### A—Voted grants

| Serial No.  | Number and name of the grant  | Total grant | Expenditure | Saving  | Percentage of saving |
|---|---|-------------|-------------|---------|----------------------|
| (In lakhs of rupees)  |   |             |             |         |                      |
| <b>I—Cases where the savings were 20 per cent. or more of the total grant—</b>                              |   |             |             |         |                      |
| (1)   | 7—Stamps .. .. .  | 30.53       | 24.11       | 6.42    | 21                   |
| (2)   | 23—Agriculture—Fisheries .. .. .  | 80.61       | 49.29       | 31.32   | 39                   |
| (3)   | 26—Industries—Industries .. .. .  | 4.81.77     | 3,78.66     | 1,08.51 | 22                   |
| (4)   | 35—Greater Calcutta Development Scheme .. .. .  | 3,58.95     | 2,16.56     | 1,42.39 | 40                   |
| (5)   | 47—Expenditure connected with the National Emergency .. .. .  | 3,97.85     | 2,63.20     | 1,24.65 | 32                   |
| (6)   | 49—Capital Outlay on Multipurpose River Schemes—Bamolar Valley Project .. .. .  | 5,64.59     | 3,81.73     | 1,82.85 | 32                   |
| (7)   | 49—Capital Outlay on Public Works .. .. .   | 7,06.91     | 4,98.61     | 2,08.30 | 29                   |
| <b>II—Cases where the savings exceeded 10 per cent. but were less than 20 per cent. of the total grant—</b> |   |             |             |         |                      |
| (1)   | 16—Miscellaneous Departments—Fire Services .. .. .  | 75.79       | 66.95       | 8.84    | 12                   |
| (2)   | 22—Agriculture—Agriculture .. .. .  | 18,86.69    | 15,58.20    | 3,28.49 | 17                   |
| (3)   | 32—Miscellaneous Social and Developmental Organisations—Excluding Welfare of Scheduled Tribes and Castes and Other Backward Classes .. .. . | 1,52.48     | 1,32.75     | 19.73   | 13                   |
| (4)   | 33—Irrigation .. .. .   | 18,22.07    | 15,22.36    | 2,99.71 | 16                   |
| (5)   | 37—Road and Water Transport Schemes .. .. .   | 69.44       | 60.58       | 8.85    | 13                   |

| Serial No.                      | Number and name of the appropriation          | Total appropriation | Expenditure | Saving   | Percentage of saving |
|---------------------------------|---|---------------------|-------------|----------|----------------------|
| (6) 38                          | Famine Relief                                 | 17,47.67            | 15,02.19    | 2,45.48  | 14                   |
| (7) 41                          | Stationery and Printing                       | 1,15.65             | 97.35       | 18.30    | 16                   |
| (8) 43                          | Miscellaneous—Contributions                   | 4,90.86             | 4,33.92     | 56.94    | 12                   |
| (9) 44                          | Miscellaneous—Other Miscellaneous Expenditure | 11,26.95            | 9,94.92     | 1,32.03  | 12                   |
| <i>B—Charged appropriations</i> |   |                     |             |          |                      |
| (1) 9                           | Interest on Debt and Other Obligations        | 33,03.50            | 19,77.61    | 13,25.89 | 40                   |
| (2) 26                          | Industries—Industries                         | 2.28                | 0.01        | 2.27     | 100                  |
| (3) 39                          | Pensions and other Retirement Benefits        | 5.90                | 4.58        | 1.32     | 22                   |
| (4) 43                          | Miscellaneous—Contributions                   | 15.39               | 13.48       | 1.91     | 12                   |
| (5) 44                          | Miscellaneous—Other Miscellaneous Expenditure | 5.17                | 0.12        | 5.05     | 98                   |
| (6) 49                          | Capital Outlay on Public Works                | 16.06               | 0.80        | 15.26    | 95                   |
| (7) Public Debt                 |   | 91,40.13            | 80,26.99    | 11,13.14 | 12                   |

(In lakhs of rupees)

## APPENDIX V

(Reference : Paragraph 23, page 26)

### Unutilised provision due to non-implementation partial implementation of development Schemes

*A—Development Schemes in the State Sector (other than Centrally sponsored schemes and committed portions of Third Five-Year Plan)*

| Serial No                   | Schemes   | Provision in 1968-69 | Saving in 1968-69 (and its percentage) | Remarks  | Savings during the previous years (and their percentage)   |
|-----------------------------|---|----------------------|--|--|--|
| <i>(In lakhs of rupees)</i> |   |                      |  |  |  |
| 1.                          | Lift Irrigation from rivers and beels (Surface water lift irrigation from rivers and streams) (Spill-over scheme) | 1,70 00              | 1,07.86 (63)                           | Mainly postponement of installation of new pumps on administrative grounds   | 1966-67 14.50 (73)<br>1967-68 30.05 (30)   |
| 2.                          | Greater Calcutta Milk Supply Scheme (Spill-over scheme)   | 90 50                | 28 95 (32)                             | Mainly non-finalisation of certain aspects of the scheme, non-finalisation/delay in finalisation of tenders and non-issue of administrative approval | 1962-63 72.85 (57)<br>1963-64 36.16 (43)<br>1964-65 57 71 (38)<br>1965-66 22.30 (28)<br>1966-67 43.70 (49)<br>1967-68 72.43 (67) |
| 3.                          | Minor Irrigation (Spill-over scheme)  | 50 00                | 30.05 (60)                             | Mainly late receipt of demands from District Magistrates and Deputy Commissioners  | 1967-68 48 38 (88)   |
| 4.                          | Plant protection including control of wild animals  | 45.00                | 21 75 (48)                             | Mainly gradual taking over of distribution of pesticides by trade  |  |



|  |    |       |            |  |                               |  |
|--|----|-------|------------|--|-------------------------------|--|
| 5. Mechanised Brick Factory  | .. | 35-12 | 29-22 (83) | Mainly non-finalisation of the schemes for establishment of Cellular Concrete Block Factory at Bandel and brick factories at Haldia, Shyampur/Akre, Palta and Kalyani and non-completion of expansion of Palta Brick Factory | 1966-67<br>1967-68            | 60-00<br>(100)<br>48-68<br>(88)                  |
| 6. Development of Digha (Spill-over scheme)                                  | .. | 24-00 | 13-29 (55) | Mainly non-execution of the targeted development works   | 1965-66<br>1966-67<br>1967-68 | 3-85<br>(39)<br>15-10<br>(46)<br>15-13<br>(52)   |
| 7. Development of Subsidiary Industries at Durgapur (Spill-over scheme)      | .. | 20-63 | 8-98 (44)  | Mainly non-payment of land compensation and non-execution of development works on acquired lands as per original programme   | 1963-64<br>1965-66<br>1966-67 | 14-94<br>(100)<br>40-63<br>(81)<br>45-91<br>(92) |
| 8. Intensive Cattle Development Blocks                                       | .. | 19-19 | 10-33 (54) | Mainly non-receipt of sanction for the full amount after observing formalities   | ..                            | ..   |
| 9. Acquisition of land for establishment of a Fertiliser Factory at Durgapur | .. | 12-00 | 6-53 (54)  | Mainly non-payment of land compensation  | ..                            | ..   |
| 10. Intensive development of fisheries in C. D. Blocks (Spill-over scheme)   | .. | 11-00 | 4-02 (37)  | Delay in filling up of posts for execution of the scheme in new blocks   | 1964-65<br>1966-67<br>1967-68 | 8-00<br>(100)<br>9-18<br>(77)<br>15-43<br>(77)   |

APPENDIX V—*contd.*

| Serial No.                  | Schemes   | Provision in 1968-69 | Saving in 1968-69 (and its percentage) | Remarks   | Savings during the previous years (and their percentage) |
|-----------------------------|---|----------------------|--|---|--|
| <i>(In lakhs of rupees)</i> |   |                      |  |   |  |
| 11.                         | Tollygunge Drainage and Sewerage Scheme (Spill-over scheme) | 10.00                | 8.78 (88)                              | Mainly non-completion of survey   | 1967-68 .. 11.97 (92)                                    |
| 12.                         | Multiple cropping and other demonstrations                  | 9.00                 | 8.53 (95)                              | Mainly less supply of input to cultivators  | .. ..  |
| 13.                         | Town compost scheme   | 8.00                 | 6.45 (81)                              | Mainly non-payment of grants-in-aid to municipalities as a measure of economy           | .. ..  |
| 14.                         | Intensive eggs and poultry production-cum-marketing centres | 8.00                 | 5.55 (69)                              | Reasons for the saving are awaited  | .. ..  |
| 15.                         | Poultry development under Applied Nutrition Programme       | 8.00                 | 3.33 (42)                              | Mainly diversion of funds for execution of other urgent work and less construction work | .. ..  |
| 16.                         | Expansion and Establishment of State Poultry Farms          | 7.25                 | 3.52 (49)                              | Reasons for the major portion of the saving are awaited                                 | .. ..  |
| 17.                         | Water Supply Scheme in the South Dum Dum Municipality       | 7.00                 | 7.00 (100)                             | Reasons for the major portion of the saving are awaited                                 | .. ..  |

|     |   |      |            |  |  |   |
|-----|---|------|------------|--|--|---|
| 18. | Development of Gas Distribution System in Calcutta (Spill-over scheme and transferred from Centrally-sponsored schemes in 1967-68)                                | 7-00 | 4-30 (63)  | Mainly less purchase of stores and non-importation of gas meters for want of import licence from Government of India | ..                                       | ..  |
| 19. | Applied Nutrition Programme (Subsidiary Food and Applied Nutrition Programme)   | 7-00 | 3-94 (56)  | Mainly curtailment of programme  | ..                                       | ..  |
| 20. | Slaughter House (Spill-over scheme)   | 6-55 | 6-55 (100) | Reasons for non-implementation of the scheme are awaited   | 1964-65<br>1965-66<br>1966-67            | 58-91 (100)<br>7-00 (100)<br>13-42 (100)          |
| 21. | West Bengal Financial Corporation—Investment in share capital   | 6-34 | 6-34 (100) | Non-floatation of shares by the Corporation  | ..                                       | ..  |
| 22. | Scheme for establishment of seed farms for production of quality seeds through artificial breeding of Indian Major carps by hormone treatment (Spill-over scheme) | 6-00 | 3-06 (51)  | Non-completion of construction of nursery and rearing tanks in fish seed farm due to fresh invitation of tender      | 1964-65<br>1965-66<br>1966-67<br>1967-68 | 9-60 (75)<br>10-15 (73)<br>3-19 (26)<br>2-96 (30) |
| 23. | Dhakeswari Cotton Mills Ltd.—Investment in share capital  | 5-00 | 5-00 (100) | Non-fulfilment of stipulated conditions by the company   | ..                                       | ..  |

## APPENDIX V—*concl'd*

### *B—Centrally-sponsored schemes (New schemes)*

| Serial No.                  | Schemes  | Provision in 1968-69                     | Saving in 1968-69 (and its percentage) | Remarks   | Savings during the previous years (and their percentage) |
|-----------------------------|--|--|--|---|--|
| <i>(In lakhs of rupees)</i> |  |  |  |   |  |
| 1                           | Family Planning, Maternity and Child Welfare (Spill-over scheme) | 2,63.33<br>(including State share)       | 83.90<br>(32)                          | Mainly posts remaining vacant and less purchase of stores   | 25.31<br>(98)<br>59.93<br>(47)<br>1,07.70<br>(42)        |
| 2                           | Slum Clearance Project   | .. .. . 52.53<br>(including State share) | 17.09<br>(32)                          | Reasons for the major portion of the saving are awaited; a part of the saving was due to slow progress of work  | .. .. .  |
| 3                           | Expansion of Craftsman Training (Spill-over scheme)              | .. .. . 36.00<br>(including State share) | 16.30<br>(45)                          | Mainly cut in Plan expenditure, non-purchase of equipment etc.  | 30.81<br>(88)<br>86.16<br>(67)<br>79.80<br>(72)          |
| 4                           | Rehabilitation of Displaced Goldsmiths (Spill-over scheme)       | .. .. . 31.81                            | 22.32<br>(70)                          | Mainly non-utilisation of the first instalment of loans by the borrowers, non-receipt of Government of India's sanction, abolition of posts and restrictions imposed by Government of India | 20.64<br>(59)  |
| 5                           | Rural Manpower Project (Spill-over scheme)                       | .. .. . 25.00                            | 21.42<br>(86)                          | Mainly suspension of work due to non-settlement of terms and conditions with the executing agencies and reduction of Central assistance   | 7.12<br>(36)<br>14.92<br>(60)                            |

|   |       |             |  |  |   |
|---|-------|-------------|--|--|---|
| 6. Final design study for Mass Transit in Calcutta (including State share)  | 20-00 | 18-22       | Execution of the scheme by the Railways out of their own Plan outlay   | ..                                       | ..  |
| 7. Intensive Development of Small Industries in Rural Areas (Spill-over scheme)   | 19-64 | 8-92 (45)   | Reasons for the major portion of the saving are awaited. A part of the saving was due to non-creation of posts and cut in expenditure imposed by the Rural Industries Projects Committee, New Delhi. | 1966-67<br>1967-68                       | 7-61 (48)<br>13-06 (55)                                 |
| 8. Accelerated Programme of Consumers' Co-operatives  | 16-49 | 16-49 (100) | Mainly observance of economy in expenditure and non-receipt/non-sanction of suitable proposals   | ..                                       | ..  |
| 9. Development of Urban Consumers' Co-operatives  | 16-02 | 11-02 (69)  | Mainly non-receipt/non-sanction of suitable proposals  | ..                                       | ..  |
| 10. Additional assistance to Eastern Zone States for Developing Co-operative Movement                                     | 10-75 | 10-55 (98)  | Mainly observance of economy in expenditure and non-sanction of proposals  | ..                                       | ..  |
| 11. Intensive Health and Family Planning Programme (including State share)  | 10-20 | 10-09 (99)  | Gradual discontinuance of the scheme as per direction from Government of India   | 1966-67<br>1967-68                       | 24-00 (100)<br>25-31 (97)                               |
| 12. Providing Harbour facilities to coastal fishermen to continue fishing operation for longer period (Spill-over scheme) | 10-00 | 10-00 (100) | Non-availability of sufficient time for preparation of revised plans and estimates after the agency originally entrusted with the execution expressed its inability to undertake the same            | 1964-65<br>1965-66<br>1966-67<br>1967-68 | 3-00 (100)<br>10-00 (100)<br>10-00 (100)<br>10-00 (100) |
| 13. Community Development Projects, Local Development Works (Spill-over scheme)   | 10-00 | 4-62 (46)   | Lack of sufficient response from the public by whom 50 per cent. of the cost was to be borne   | 1965-66<br>1967-68                       | 20-81 (69)<br>7-40 (62)                                 |
| 14. Scheme for upgrading the Gramsevak training centres   | 9-88  | 5-72 (58)   | Mainly non-receipt of Government of India's approval   | ..                                       | ..  |

## APPENDIX VI

(Reference : paragraph 43 page 34)

### PART II—Other cases

(a) Cases of loss, etc. (each item not exceeding Rs. 5,000) written off in 1968-69

| Serial No. | Department                            | Write-off of losses, irrecoverable revenues, duties, advances etc. |               | Ex-gratia payment. |               | Waiver of recovery |               |       |
|------------|---------------------------------------|--|---------------|--------------------|---------------|--------------------|---------------|-------|
|            |                                       | Number   | Amount<br>Rs. | Number             | Amount<br>Rs. | Number             | Amount<br>Rs. |       |
| 1.         | Agriculture and Community Development | ..   | 39            | 19,901             | ..            | ..                 | ..            | ..    |
| 2.         | Education                             | ..   | 5             | 1,327              | ..            | ..                 | ..            | ..    |
| 3.         | Food and Supplies                     | ..   | 11            | 15,477             | ..            | ..                 | ..            | ..    |
| 4.         | Forest                                | ..   | 16            | 7,971              | ..            | ..                 | ..            | ..    |
| 5.         | Board of Revenue                      | ..   | 5             | 6,508              | ..            | ..                 | ..            | ..    |
| 6.         | Information and Public Relations      | ..   | 8             | 982                | ..            | ..                 | ..            | ..    |
| 7.         | Home (Constitution and Election)      | ..   | 1             | 40                 | ..            | ..                 | ..            | ..    |
| 8.         | Land and Land Revenue                 | ..   | 10            | 2,403              | ..            | ..                 | ..            | ..    |
| 9.         | Health (Public Health)                | ..   | 1             | 1,200              | ..            | ..                 | 2             | 4,211 |
| 10.        | Refugee Relief and Rehabilitation     | ..   | 13            | 3,438              | ..            | ..                 | ..            | ..    |
| 11.        | Home (Defence)                        | ..   | 6             | 99                 | ..            | ..                 | ..            | ..    |
| 12.        | Home (Transport)                      | ..   | 1             | 24                 | ..            | ..                 | ..            | ..    |
| 13.        | Local Self-Government                 | ..   | 1             | 32                 | ..            | ..                 | ..            | ..    |
| 14.        | Commerce and Industries               | ..   | 64            | 39,593             | 459           | 42,618             | 4             | 791   |
| 15.        | Public Works (Construction Board)     | ..   | 1             | 351                | ..            | ..                 | ..            | ..    |
| 16.        | Public Works (Special Roads)          | ..   | 1             | 3,700              | ..            | ..                 | ..            | ..    |
|            | Total                                 | ..   | 183           | 1,03,046           | 429           | 42,618             | 6             | 5,002 |

APPENDIX VI—*concl.*(b) *Cases of loss etc. (each item exceeding Rs. 5,000) written off in 1968-69*

| Sl. No. | Department              | Write-off of losses, irrecoverable revenues, duties, advances etc. |               | Waiver of recovery |               |          |
|---------|-------------------------|--|---------------|--------------------|---------------|----------|
|         |                         | Number   | Amount<br>Rs. | Number             | Amount<br>Rs. |          |
| 1.      | Health (Medical)        | ..   | ..            | 1                  | 6,29,684      |          |
| 2.      | Home (Defence)          | ..   | 70,732        | ..                 | ..            |          |
| 3.      | Housing ..              | ..   | 19,918        | ..                 | ..            |          |
| 4.      | Commerce and Industries | ..   | 6,01,570      | 1                  | 33,959        |          |
|         | <b>Total</b>            | ..   | 9             | 6,91,020           | 2             | 6,63,643 |

## APPENDIX VII

(Reference - paragraph 44, page 35)

### Cases of misappropriation awaiting finalisation on 31st March 1969

| Serial No. | Department                               | Cases pertaining to 1962-63 and earlier years |               | Cases pertaining to 1963-64 to 1968-69 |               | Total    |               |          |
|------------|--|---|---------------|--|---------------|----------|---------------|----------|
|            |  | Number  | Amount<br>Rs. | Number                                 | Amount<br>Rs. | Number   | Amount<br>Rs. |          |
| 1.         | Agriculture and Community Development    | ..  | 15            | 31,480                                 | 24            | 2,43,540 | 39            | 2,75,020 |
| 2          | Animal Husbandry and Veterinary Services | ..  | 1             | 5,000                                  | ..            | ..       | 1             | 5,000    |
| 3          | Board of Revenue                         | ..  | ..            | ..                                     | 4             | 18,702   | 4             | 18,702   |
| 4          | Commerce and Industries                  | ..  | 3             | 61,243                                 | 8             | 9,302    | 16            | 70,545   |
| 5          | Education                                | ..  | 1             | 300                                    | 3             | 9,977    | 4             | 10,277   |
| 6          | Excise                                   | ..  | 1             | 418                                    | 1             | 30,120   | 2             | 39,538   |
| 7.         | Food and Supplies                        | ..  | 6             | 47,946                                 | 3             | 93,115   | 9             | 1,41,061 |
| 8          | Finance                                  | ..  | 1             | 1,695                                  | ..            | ..       | 1             | 1,695    |
| 9.         | Health (Public Health)                   | ..  | 4             | 15,628                                 | 5             | 12,054   | 9             | 27,682   |
| 10.        | Home (General Administration)            | ..  | 1             | 11,083                                 | 3             | 3,041    | 4             | 14,124   |
| 11.        | Home (Police)                            | ..  | 9             | 62,841                                 | 2             | 27,470   | 11            | 90,311   |
| 12         | Information and Public Relations         | ..  | 2             | 399                                    | 1             | 518      | 3             | 917      |





## APPENDIX VIII

(Reference : paragraph 52, page 40)

*(A) Six important works of Kangsabati project (Irrigation and Waterways Department) executed without sanctioned estimates*

| Sl. No. | Division              | Work                                    | Year from which expenditure is being incurred | Expenditure up to March 1969 |
|---------|-----------------------|---|---|------------------------------|
|         |                       |   |   | <i>(In crores of rupees)</i> |
| 1.      | Bankura Irrigation    | .. Excavation of Bishnupur Branch Canal | 1962-63                                       | 1.41                         |
| 2.      | Kangsabati Left Bank  | .. Construction of earthen dam          | Kangsabati 1957-58                            | 2.31                         |
| 3.      | Kangsabati Left Bank  | .. Construction of Kumari dam           | 1961-62                                       | 0.66                         |
| 4.      | Kangsabati Mechanical | .. Obtaining of Earth moving machinery  | 1956-57                                       | 1.70                         |
| 5.      | Kangsabati Canals II  | .. Excavation of Supur Main Canal       | 1960-61                                       | 1.44                         |
| 6.      | Kangsabati Canals II  | .. Excavation of right bank main canal  | 1963-64                                       | 0.75                         |
|         |                       | Total ..                                |   | 8.27                         |

*(B) Works of Kangsabati Project (Irrigation and Waterways Department) on which expenditure exceeded the sanctioned estimate by more than 50 per cent.*

| Sl. no. | Division              | Work   | Sanctioned estimate | Actual expenditure up to March 1969 | Percentage of excess over sanctioned estimate | Year in which excess first occurred |
|---------|-----------------------|--|---------------------|-------------------------------------|---|-------------------------------------|
|         |                       |  |                     |                                     |   | <i>(In lakhs of rupees)</i>         |
| 1.      | Kangsabati Canals II  | Construction of Saddle Spillway at Mukhtamanipur | 6.61                | 36.76                               | 456   | 1963-64                             |
| 2.      | Kangsabati Canals II  | Excavation of left bank feeder canal             | 70.80               | 108.54                              | 53  | 1965-66                             |
| 3.      | Kangsabati Canals II  | Excavation of Indpur Main Canal                  | 27.06               | 70.08                               | 150   | 1963-64                             |
| 4.      | Kangsabati Canals III | Excavation of Bishnupur Branch Canal             | 10.00               | 35.22                               | 252   | 1967-68                             |

## APPENDIX VIII—concl'd.

(C) Department-wise and year-wise analysis of the unvouched outlay on 31st March 1969

## (i) Department-wise analysis

| Sl. No. | Department                                    | Number of items | Amount<br>(In lakhs of rupees) |
|---------|---|-----------------|--------------------------------|
| 1.      | Public Works .. .. .                          | 299             | 60.09                          |
| 2.      | Irrigation and Waterways .. .. .              | 386             | 43.48                          |
| 3.      | Land and Land Revenue .. .. .                 | 20              | 26.66                          |
| 4.      | Development and Planning .. .. .              | 27              | 11.29                          |
| 5.      | Health .. .. .                                | 83              | 9.04                           |
| 6.      | Housing .. .. .                               | 40              | 8.05                           |
| 7.      | Agriculture and Community Development .. .. . | 255             | 6.90                           |
| 8.      | Public Works (Roads) .. .. .                  | 85              | 6.50                           |
| 9.      | Public Works (Construction Board) .. .. .     | 89              | 2.65                           |
| 10.     | Public Works (Special Roads) .. .. .          | 57              | 1.46                           |
|         | <b>Total ..</b>                               | <b>1,341</b>    | <b>176.122</b>                 |

## (ii) Year-wise analysis

| Year of objection            | Number of items | Amount<br>(In lakhs of rupees) |
|------------------------------|-----------------|--------------------------------|
| <b>Up to 1964-65</b> .. .. . | 47              | 5.49                           |
| 1965-66 .. .. .              | 8               | 3.07                           |
| 1966-67 .. .. .              | 58              | 7.71                           |
| 1967-68 .. .. .              | 252             | 25.10                          |
| 1968-69 .. .. .              | 976             | 1,34.75                        |
| <b>Total ..</b>              | <b>1,341</b>    | <b>1,76.12</b>                 |

## APPENDIX IX

(Referred to in paragraph 87, page 58 )

List of wanting *Pro forma* Accounts(a) In the following cases *pro forma* accounts have not been prepared since inception —

| Sl No.                           | Name of the Scheme/Concern   | Period for which accounts are due for submission                             | Remarks   |
|----------------------------------|--|--|---|
| 1.                               | Durgapur Industries Board ..   | 1955-56 to 1961-62<br>(up to pre-Company period, i.e., 14th September 1961). |   |
| Scheme for Production Centres :— |  |  |   |
| 2.                               | Midnapur [transferred to the Home (Social Welfare) Department from April 1963] | 1954-55 to 1968-69   |   |
| 3.                               | Titagarh .. .. .   |  |   |
| 4.                               | Uttarpara .. .. .  |  |   |
| 5.                               | Habra .. .. .  |  |   |
| 6.                               | Dharampur .. .. .  |  |   |
| 7.                               | Oriental Gas Company's Undertaking   | November 1960 to 1968-69   |   |
| Government Sales Emporia :—      |  |  |   |
| 8.                               | Howrah .. .. .   | 1951-52 to 1968-69   |   |
| 9.                               | Calcutta .. .. .   |  |   |
| 10.                              | Government Sales Emporia other than those at Calcutta and Howrah               | 1957-58 to 1961-62 (up to 31st May 1961)                                     | Transferred to West Bengal Small Industries Corporation (a Government Company).   |
| 11.                              | Industrial Centres .. .. .   | 1956-57 to 1964-65   | The scheme was merged with another scheme in April 1965. Outstanding accounts have not been prepared as yet (September 1969).   |
| 12.                              | Dental Factory .. .. .   | 1960-61 to 1968-69]  | Government stated (October 1966) that they faced difficulties in preparing accounts prior to 1963-64 for want of suitable records. No firm decision has yet been communicated (September 1969). |
| 13.                              | Fuha Township .. .. .  | 1961-62 to 1968-69   |   |
| 14.                              | Kanchrapara Development Area (Kalyani Township scheme)                         |  |   |

## APPENDIX IX—Contd.

(f) In the following cases *pro forma* accounts have been received for the period noted against each and are under audit or *pro forma* accounts have not been received for the period noted against each :—

| Sl. No. | Name of the Schemes/Concern   | Period for which accounts are due for submission | Remarks  |
|---------|---|--|--|
| 1.      | Central Engineering Organisation                                    | 1966-67 to 1968-69                               | Accounts for 1965-66 were audited and the draft audit observations forwarded to Government in May 1969. Comments of Government, if any, have not yet been received (September 1969).   |
| 2.      | Hospital Appliances Scheme of Central Engineering Organisation      | 1967-68 and 1968-69                              |  |
| 3.      | Integrated Wood Industries Scheme at Durgapur, Kalyani and Siliguri | 1960-61 to 1967-68                               | Accounts up to 1964-65 originally submitted could not be checked for want of complete records/documents. The revised accounts from 1956-57 to 1959-60 have been received and checked. Audit certificate will be issued on receipt of extra copies of accounts from Government.   |
| 4.      | Brick and Tile Board  | .. 1968-69                                       | .. Revised accounts for 1965-66 and accounts for 1966-67 and 1967-68 (excepting Durgapur unit) have been received in Audit and are under scrutiny.   |
| 5.      | Mechanised Brick Factory at Palta                                   | 1961-62 to 1968-69                               | Accounts from 1961-62 to 1967-68 were received in Audit, but not accepted as the same were not drawn up in proper form. Form for preparation of accounts was received from Government in June 1969. Some modifications in the form were suggested by Audit in August 1969. Revised accounts in the modified form approved by Government have not yet been received (September 1969). |
| 6.      | Brooklyn Ice Plant and Cold Storage                                 | 1967-68 and 1968-69                              | The accounts for 1965-66 and 1966-67 were received in Audit but they require revision as found on scrutiny. The revised accounts have not yet been received.   |
| 7.      | Scheme for Production of Shark Liver Oil, Fishmeal, etc.            | 1964-65 to 1968-69                               | The accounts for 1963-64 received in Audit required revision as found on scrutiny. The revised accounts for 1963-64 have just been received (September 1969).  |

APPENDIX IX—*concl'd.*

| Sl. No. | Name of the Scheme/Concern   | Period for which accounts are due for submission | Remarks   |
|---------|--|--|---|
| 8.      | Durgapur State Transport Services  | 1965-66 to 1968-69                               |   |
| 9.      | Silk Reelers' Co-operative and Allied Organisation                               | 1955-56 to 1968-69                               | The revised accounts for 1955-56 have not yet been received. Besides, audit of accounts for 1955-56 is possible if the opening Balance Sheet as at 1st April 1955 is correctly prepared. The opening Balance Sheet submitted to Audit (in February 1968) could not be checked for want of relevant records and documents. Besides, there were various irregularities and defects in the opening Balance Sheet. The revised opening Balance Sheet as at 1st April 1955 and the revised accounts for 1955-56 have not yet been received (September 1969). |
| 10.     | Greater Calcutta Milk Supply Scheme (inception year 1954-55)                     | 1963-64 to 1968-69                               |   |
| 11.     | Government Cinchona Plantations  | 1963-64 to 1968-69                               | Accounts for 1962-63 required revision. The revised accounts have not yet been received (September 1969).   |
| 12.     | Government Quinine Factory, Mungpoo  |  |   |
| 13.     | Quinine Sales Depot, Calcutta  |  |   |
| 14.     | Surgical Instruments Servicing Station, Baruipur                                 | 1965-66 to 1968-69                               |   |
| 15.     | Consolidated <i>pro forma</i> account of Hats under the management of Government | 1967-68 to 1968-69                               | Accounts for 1966-67 have been received (September 1969).   |
| 16.     | Scheme for State Trading in Rice and Paddy                                       | 1964-65 to 1968-69                               |   |
| 17.     | Scheme for State Trading in Wheat and Wheat products                             | 1965-66 to 1968-69                               | Accounts for 1964-65 have since been received and are under scrutiny.   |

## APPENDIX X

(Referred to in paragraph 87, page 53)

## Greater Calcutta Milk Supply Scheme

*Trading and Profit and Loss Account for the year ended 31st March 1961*

| Dr.       |                            |           |           | Cr.                                     |           |
|-----------|----------------------------|-----------|-----------|---|-----------|
| 1959-60   |                            | 1960-61   | 1959-60   |   | 1960-61   |
| Rs.       |                            | Rs.       | Rs.       |   | Rs.       |
| 56,712    | To Opening Stock           | 1,21,507  | 13,336    | By Sales and Recoveries (Inter-Schemes) | 3,467     |
| 65,221    | .. Purchase ..             | 98,548    | 4,08,360  | .. Sales and Recoveries (others)        | 4,66,531  |
| 1,27,316  | .. Wages ..                | 1,44,534  | 1,21,507  | .. Closing Stock                        | 99,276    |
| 12,23,561 | .. Depreciation            | 12,90,108 | 23,32,906 | .. Loss ..                              | 30,17,993 |
| 1,33,479  | .. Miscellaneous           | 1,23,065  |           |   |           |
| 674       | .. Stationery ..           | 1,401     |           |   |           |
| ..        | .. Bottles ..              | 4,082     |           |   |           |
| 54,689    | .. Repairs ..              | 3,27,550  |           |   |           |
| 3,43,490  | .. Administrative Expenses | 3,93,191  |           |   |           |
| 6,680     | .. Audit Fee ..            | 6,680     |           |   |           |
| 8,64,287  | .. Interest on Capital     | 10,76,601 |           |   |           |
| 28,76,109 | Total ..                   | 35,87,267 | 28,76,109 | Total ..                                | 35,87,267 |

## APPENDIX X—Contd.

## Greater Calcutta Milk Supply Scheme

Balance Sheet as on the 31st March 1961

| 1959-60     | Capital and Liabilities  | 1960-61     | 1959-60     | Properties and assets    | 1960-61     |
|-------------|--|-------------|-------------|--------------------------|-------------|
| Rs.         |  | Rs.         | Rs.         |                          | Rs.         |
|             | Capital Account—   |             | 1,90,36,080 | Fixed Assets ..          | 2,23,27,332 |
|             | (i) Withdrawals up to 31st March 1960                                    |             | 37,98,435   | Capital work in progress | 73,88,276   |
|             | 2,27,71,508  |             |             |                          |             |
|             | (ii) Withdrawals during the year   |             | 11,086      | Live stock ..            | 8,869       |
|             | 82,87,013  |             |             |                          |             |
|             | <u>3,10,58,521</u>   |             |             |                          |             |
|             | Less amount refunded   |             | 1,79,634    | Current Assets ..        | 1,67,237    |
|             | 4,55,790   |             |             |                          |             |
|             | <u>3,06,02,731</u>   |             |             |                          |             |
|             | Add interest on Capital  |             | 1,47,961    | Cash in hand ..          | 1,32,998    |
| 2,51,04,414 | 10,76,601  |             |             |                          |             |
|             | <u>3,16,79,332</u>   | 3,16,79,332 |             |                          |             |
| 17,580      | Account with other Schemes P.L. Account No. 1 (Milk Distribution Scheme) | 44,911      | 23,32,908   | Profit and Loss Account  | 30,17,998   |
| 2,43,478    | Outstanding Liabilities  | 2,52,107    |             |                          |             |
| 1,40,635    | Reserve ..   | 10,66,350   |             |                          |             |
| 2,55,06,102 | Total ..   | 3,30,42,700 | 2,55,06,102 | Total ..                 | 3,30,42,700 |



## APPENDIX X—Contd.

## Milk Distribution Scheme

Trading and Profit and Loss Account for the year ended 31st March 1961

| Dr.         |                              |             |             | Cr.                |             |
|-------------|------------------------------|-------------|-------------|--------------------|-------------|
| 1959-60     |                              | 1960-61     | 1959-60     |                    | 1960-61     |
| Rs.         |                              | Rs.         | Rs.         |                    | Rs.         |
| 3,97,353    | To Opening Stock             | 1,30,273    | 1,07,18,300 | By Sales ..        | 1,17,62,325 |
| 76,50,562   | „ Purchase ..                | 88,59,837   | 22,262      | „ Bottle sale ..   | 36,175      |
| 2,56,622    | „ Wages ..                   | 2,74,837    | 46,459      | „ Miscellaneous .. | ..          |
| 2,40,674    | „ Fuel and Lubri-<br>cant    | 2,78,824    | 1,30,273    | „ Closing Stock    | 6,34,597    |
| 3,72,209    | „ Miscellaneous              | 4,33,646    |             |                    |             |
| 6,680       | „ Audit Fee ..               | 6,680       |             |                    |             |
| 92,167      | „ Maintenance<br>of vehicles | 1,99,206    |             |                    |             |
| 4,96,364    | „ Pay and allow-<br>ances    | 5,24,732    |             |                    |             |
| 1,34,181    | „ Depreciation               | 1,04,689    |             |                    |             |
| 1,30,193    | „ Interest on<br>Capital     | 1,81,013    |             |                    |             |
| 11,40,289   | „ Net profit ..              | 14,39,360   |             |                    |             |
| 1,09,17,294 | Total ..                     | 1,24,33,097 | 1,09,17,294 | Total ..           | 1,24,33,097 |

**APPENDIX X—con****Scheme for the manufacture of Surgical Instruments at Baraipur***Balance Sheet as on the 31st march 1965*

| 1963-64  |                                      | 1964-65  | 1963-64  |                       | 1964-65  |
|----------|--------------------------------------|----------|----------|-----------------------|----------|
| Rs.      | Capital and Liabilities              | Rs.      | Rs.      | Assets and Properties | Rs.      |
| 3,65,878 | Capital ..                           | 4,02,580 | 1,16,894 | Fixed Assets ..       | 1,16,704 |
| 4,500    | Provision for Audit Fee              | 6,000    | 2,55,741 | Current Assets ..     | 2,94,066 |
| 4,869    | Outstanding liabilities for expenses | 7,237    | 4,869    | Cash in hand ..       | 7,237    |
| 2,257    | Liability for payment of sales tax   | 2,190    |          |                       |          |
| 3,77,504 | Total ..                             | 4,18,007 | 3,77,504 | Total ..              | 4,18,007 |

APPENDIX X—*contd.*

## Central Engineering Organisation

*Scheme for Development of Manufacture of Hospital Appliances*

Manufacturing, Trading and Profit and Loss Account for the year ending 31st March 1967

| Dr.             |  |                 |                 | Cr.  |                 |
|-----------------|--|-----------------|-----------------|--|-----------------|
| 1965-66         |  | 1966-67         | 1965-66         |  | 1966-67         |
| Rs.             |  | Rs.             | Rs.             |  | Rs.             |
| 83,634          | To Opening Stock   | 1,09,281        | 2,675           | By Sales ..  | 7,923           |
| 27,647          | .. Purchase ..   | 1,336           | ..              | .. Raw Materials<br>issued to constitu-<br>ent units | 212             |
| 14,205          | .. Factory Ex-<br>penses                                       | 14,710          | 1,00,281        | .. Closing Stock                                     | 1,02,483        |
| 3,452           | .. Depreciation  | 3,365           | 35,870          | Net Loss ..  | 29,439          |
| 10,678          | .. Administrative,<br>Selling and Distri-<br>buting Expenses . | 3,103           |                 |  |                 |
| 8,210           | .. Interest on<br>Capital                                      | 8,204           |                 |  |                 |
| <b>1,47,826</b> | <b>Total ..</b>  | <b>1,40,059</b> | <b>1,47,826</b> | <b>Total ..</b>                                      | <b>1,40,059</b> |

**APPENDIX X—contd.****Central Engineering Organisation***Scheme for Development of Manufacture of Hospital Appliances*

Balance Sheet as on the 31st March 1967

| 1965-66  |                                  | 1966-67  | 1965-66  |                           | 1966-67  |
|----------|----------------------------------|----------|----------|---------------------------|----------|
|          | Capital and Liabilities          |          |          | Assets and properties     |          |
| Rs.      |                                  | Rs.      | Rs.      |                           | Rs.      |
| 1,58,547 | Capital ..                       | 1,83,540 | 70,668   | Fixed Assets ..           | 67,212   |
| 18,744   | Sundry Creditors                 | 1,310    | 1,17,392 | Current Assets ..         | 1,11,789 |
| 8,268    | Provision for depreciation       | ..       | 17,327   | Cash in hand ..           | 110      |
| 3,791    | Provision for taxation           | ..       | 5,591    | Outstanding for materials | 5,804    |
| 21,088   | Central Engineering Organisation | ..       |          |                           |          |
| ..       | Suspense ..                      | 65       |          |                           |          |
| 2,10,978 | Total ..                         | 1,84,915 | 2,10,978 | Total ..                  | 1,84,915 |

**APPENDIX X—contd.****Government Saw Mills, Siliguri**

*Extraction, Manufacturing and Profit and Loss Account for the year ended 31st March 1969*

| Dr.              |  | 1968-69          | 1967-68          |   | Cr.               |
|------------------|--|------------------|------------------|---|-------------------|
| 1967-68          |  | 1968-69          | 1967-68          |   | 1968-69           |
| Rs.              |  | Rs.              | Rs.              |   | Rs.               |
| 9,51,698         | To Opening Stock of logs and timber        | 8,48,667         | 27,21,752        | By Sales ..                               | 22,34,080         |
| ..               | „ Opening Stock of Service Postage Stamps  | 783              | 23,616           | „ Miscellaneous Receipts                  | 48,046            |
| 12,63,177        | „ Royalty of Logs and Value of sawn Timber | 11,81,025        | 83,346           | „ Miscellaneous Adjustments               | 28,086            |
| 4,09,987         | „ Extraction Charges                       | 3,20,201         | 783              | „ Closing Stock of Service Postage Stamps | ..                |
| 19,307           | „ Grant-in-aid                             | 24,884           | 9,31,007         | „ Closing Stock                           | 8,49,814          |
| 5,970            | „ Audit Fee ..                             | 5,970            |                  | { 9,30,785 Log etc.<br>222 Block          | 8,49,592<br>222 } |
| 5,23,764         | „ Milling Expenses                         | 4,42,734         |                  |   |                   |
| 1,46,762         | „ Administrative and Office Expenses       | 1,76,418         |                  | Net Loss                                  | ..                |
| 28,470           | „ Selling and Distribution Expenses        | 27,575           |                  |   |                   |
| 49,520           | „ Depreciation                             | 43,049           |                  |   |                   |
| ..               | „ Provision for Bad and Doubtful Debts     | ..               |                  |   |                   |
| 94,220           | „ Miscellaneous Adjustments                | 28,086           |                  |   |                   |
| 2,67,629         | „ Not Profit ..                            | 54,634           |                  |   |                   |
| <b>37,60,504</b> | <b>Total ..</b>                            | <b>31,60,026</b> | <b>37,60,504</b> | <b>Total ..</b>                           | <b>31,60,026</b>  |

**APPENDIX X—contd.****Government Saw Mills, Siliguri***Balance Sheet as on the 31st March 1969*

| 1967-68   |  | 1968-69   | 1967-68   |  | 1968-69   |
|-----------|--|-----------|-----------|--|-----------|
| Rs.       | Capital and Liabilities                  | Rs.       | Rs. .     | Properties and Assets  | Rs.       |
| 16,78,085 | Government Capital                       | 17,23,991 | 7,97,544  | Fixed Assets<br>(75,873 + 6,63,330)                              | 7,39,139  |
| 1,27,479  | Undischarged Liabilities                 | 1,28,430  | 9,02,884  | Current Assets<br>(1,09,544 + 8,50,438)                          | 9,50,932  |
| 3,41,724  | Sundry Creditors                         | 1,26,742  | 3,92,424  | Sundry Debtors,<br>Loans and Advances<br>(2,78,042 +<br>+ 2,000) | 2,80,042  |
| 5,564     | Reserve for Bad<br>and Doubtful<br>Debts | ..        | ..        |  |           |
| 21,52,852 | Total ..                                 | 19,79,163 | 21,52,852 | Total ..   | 19,79,163 |

## APPENDIX X—contd.

## Scheme for State Trading in Rice and Paddy

Trading and Profit and Loss Account for the year ended the 31st March 1964

| Dr.         |  | 1963-64        | 1962-63     |   | Cr.             |
|-------------|--|----------------|-------------|---|-----------------|
| 1963-63     |  | 1963-64        | 1962-63     |   | 1963-64         |
| Rs.         |  | Rs.            | Rs.         |   | Rs.             |
| 82,43,154   | To Opening Stock                       | 1,21,49,670    | 5,94,85,031 | By Sales  | .. 12,31,74,481 |
| 5,37,09,791 | „ Purchases (External)<br>10,87,96,276 | } 12,63,33,063 | 2,10,789    | „ Adjustment and Returns                            | ..              |
| 27,28,615   | „ Purchases (Internal) 1,75,36,787     |                | 2,85,619    | „ Miscellaneous recoveries including Railway claims | 76,888          |
| 19,58,090   | „ Incidental charges                   | 29,86,591      |             |   |                 |
| 17,91,488   | „ Railway Freight charges              | 19,45,895      | 1,21,49,670 | „ Closing Stock                                     | 2,34,99,408     |
| 235         | „ Sales Tax ..                         | 230            | 48,03,988   | „ Net Loss ..                                       | 52,94,893       |
| 83,75,639   | „ Overhead charges                     | 84,92,325      |             |   |                 |
| 1,28,055    | „ Audit charges                        | 1,37,896       |             |   |                 |
| 7,69,35,097 | Total ..                               | 15,20,45,670   | 7,69,35,097 | Total ..  | 15,20,45,670    |

## APPENDIX X—concl'd.

## Scheme for State Trading in Rice and Paddy

Balance Sheet as on the 31st March 1964

| 1962-63      | Liabilities                                  | 1963-64      | 1962-63      | Assets  | 1963-64      |
|--------------|--|--------------|--------------|---|--------------|
| Rs.          |  | Rs.          | Rs.          |   | Rs.          |
| 18,90,14,078 | Extra-ordinary charges                       | 19,75,62,669 | 6,98,69,455  | Not outlay (gross receipt minus expenditure)            | 7,30,91,864  |
| 24,39,721    | Interest Account                             | 24,39,721    |              |   |              |
| 28,14,108    | Audit Charges ..                             | 29,52,866    | 64,862       | Procurement Bonus Account                               | 64,862       |
| 3,17,772     | Suspense Account                             | 46,91,335    | 32,18,423    | Suspense Account (Exchange and Central Revenue Account) | 33,86,408    |
|              | Sundry Creditors Accounts :                  |              | 2,12,227     | Advance Account   | 1,91,050     |
| 2,17,66,364  | Government of India and other States Account | 3,11,72,678  | 12,63,482    | Undivided Bengal Suspense                               | 12,63,482    |
|              |  |              |              | Sundry debtors' Accounts :                              |              |
| 51,77,967    | Miscellaneous and other purchases Account    | 50,98,127    | 41,60,376    | Mills and Parties Account                               | 41,61,062    |
| 87,85,310    | Reserve for procurement bonus                | 87,85,310    | 16,80,409    | Other Government Department Account                     | 27,22,676    |
| 22,21,614    | Excess of Assets over liabilities            | 22,21,614    | 2,01,729     | Purulia Tank Improvement Scheme                         | 5,53,264     |
| 12,32,013    | Refunds to parties                           | 12,93,884    |              |   |              |
| 3,112        | Road Development Fund                        | 3,112        | 41,00,658    | Advance (Government of India)                           | 41,00,658    |
| 909          | Liabilities for Sales Tax                    | 462          | 1,21,49,670  | Stock at close ..                                       | 2,34,99,408  |
|              |  |              | 13,68,53,677 | Profit and Loss Account :                               | 14,31,87,044 |
|              |  |              |              | As per last years' Account                              | 13,68,53,677 |
|              |  |              |              | Add Adjustment  | 10,38,474    |
|              |  |              |              | Add net Loss during the year                            | 52,94,893    |
| 23,37,74,968 | Total ..                                     | 25,62,21,778 | 23,37,74,968 | Total ..  | 25,62,21,778 |



## APPENDIX XI

(Reference : Paragraph 92, page 69)

**Important types of irregularities noticed in local audit and inspection in 1966-68**

| Nature of irregularities   | Number of offices in which irregularities were noticed |
|--|--|
| (i) Non-realisation of outstanding dues .. .. .                                  | 59   |
| (ii) Non-observance of rules/defective maintenance of cash book ..               | 5  |
| (iii) Security deposit not furnished .. .. .                                     | 129  |
| (iv) Unspent advances not refunded/adjusted .. .. .                              | 8  |
| (v) Retention of permanent advances in excess of requirement ..                  | 18   |
| (vi) Unserviceable articles not disposed of .. .. .                              | 25   |
| (vii) Defective maintenance of initial records relating to loans and advances .. | 8  |
| (viii) Muster rolls not furnished .. .. .  | 5  |